

# **ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE**

**2025**



CITY OF  
**ROCHESTER**  
MINNESOTA

## Table of Contents

<b>I. EXECUTIVE SUMMARY .....</b>	<b>3</b>
A. Introduction .....	3
B. Why Assess Fair Housing in Rochester? .....	5
C. Research Methodology/Community Participation Process.....	6
D. Current 2024 Impediments and Contributing Factors.....	8
Impediment 1: Limited Fair Housing Education and Awareness in Community.....	8
Impediment 2: Housing Affordability Mismatch - Distribution of Renter Households and Affordable Rental Units.....	8
E. Glossary of Terms.....	8
<b>II. COMMUNITY CHARACTERISTICS .....</b>	<b>14</b>
A. Historical Profile.....	14
B. Demographic Profile.....	15
C. Income Profile.....	20
D. Employment Profile .....	22
E. Housing Profile .....	24
F. Segregation Analysis.....	43
<b>III. ACCESS TO OPPORTUNITY.....</b>	<b>44</b>
Overview of HUD-Defined Opportunity Factors.....	<b>45</b>
A. School Proficiency Index.....	46
B. Labor Market Engagement Index.....	46
C. Transit Index.....	47
D. Low Transportation Cost Index .....	48
E. Jobs Proximity Index .....	49
F. Environmental Health Index .....	50
<b>IV. LOCAL OPPORTUNITY FACTORS .....</b>	<b>52</b>
A. Unemployment.....	52
B. Occupation by Industry .....	53
C. Minimum Wage.....	53
D. Educational Attainment.....	56
E. Broadband Access.....	56
F. Environmental Justice and Health.....	57

<b>V. ANALYSIS OF PUBLIC POLICY IMPEDIMENTS .....</b>	<b>59</b>
A. General Plan Land Use Element .....	59
B. Comprehensive Plan Zoning Designations for Housing .....	59
C. Home Mortgage Disclosure Act (HMDA) .....	60
D. Loan Origination, Type, and Purpose .....	61
E. Loan Denials.....	65
F. Loan Denial Reasons for Home Purchases.....	66
G. Discussion of Results .....	66
<b>VI. FAIR HOUSING TRENDS AND COMPLAINTS.....</b>	<b>67</b>
What is Housing Discrimination?.....	67
Affirmatively Furthering Fair Housing.....	67
Fair Housing Complaints.....	68
Complaints Filed With HUD.....	68
Complaint Trends.....	69
<b>VII. REVIEW OF PRIOR AND CURRENT FAIR HOUSING ACTIONS .....</b>	<b>70</b>
Affirmatively Furthering Fair Housing.....	70
Previous Impediments to Fair Housing Choice .....	71
<b>VI. IMPEDIMENTS TO FAIR HOUSING CHOICE .....</b>	<b>74</b>
Impediment 1: Limited Fair Housing Education and Awareness in Community .....	74
Impediment 2: Housing Affordability Mismatch - Distribution of Renter Households and Affordable Rental Units.....	75
<b>VII. CONCLUSION.....</b>	<b>77</b>

## **I. EXECUTIVE SUMMARY**

### **A. Introduction**

Ensuring equitable access to housing is essential for building inclusive communities and upholding the values of fairness and justice. In Rochester, Minnesota—a city recognized for its dynamic growth and diverse population—advancing fair housing practices is crucial to meeting the needs of all residents. The Analysis of Impediments to Fair Housing Choice is a vital resource for identifying barriers that restrict equal housing opportunities and for developing strategies to overcome them.

This document explores various factors that influence fair housing in Rochester, including socioeconomic inequalities, discriminatory practices, zoning laws, and accessibility challenges. By examining these issues in depth, we aim to uncover the root causes of housing inequities and propose practical solutions that foster housing equity for every individual and family in our community.

Through collaboration with stakeholders, rigorous data analysis, and a commitment to transparency, this analysis aims to establish a foundation for a more inclusive and accessible housing environment in Rochester. By confronting the obstacles to fair housing choice directly, we can work toward a future where all residents have the opportunity to live, work, and thrive in a community that values diversity and ensures housing justice for everyone.

### **Background and History**

Title VIII of the 1968 Civil Rights Act, also known as the federal Fair Housing Act, made it illegal to discriminate in the buying, selling, or renting of housing because of a person's race, color, religion, or national origin. Sex was added as a protected class in the 1970s. In 1988, the Fair Housing Amendments Act added familial status and disability to the list, making a total of seven federally protected classes. Federal fair housing statutes are largely covered by the following three pieces of U.S. legislation:

- The Fair Housing Act,
- The Housing Amendments Act, and
- The Americans with Disabilities Act.

State or local governments may enact fair housing laws that extend protection to other groups as well. For example, the Texas Fair Housing Act protects an individual's right to rent an apartment, buy a home, obtain a mortgage, or purchase homeowners insurance free from discrimination based on race, color, national origin, religion, sex, familial status, and disability.

This Analysis of Impediments to Fair Housing Choice (AI) documents a variety of fair housing issues faced by the residents of the City of Rochester, assesses their underlying causes, and identifies goals and actions to address those issues. It aims to harness data, community input, and policy analysis to craft solutions that will have a real impact on citizens.

The City of Rochester, as an entitlement community under the U.S. Department of Housing and Urban Development (HUD), is required to submit certification of affirmatively furthering fair housing. This certification has three elements and requires that the City:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI).
2. Take actions to overcome the effects of any impediments identified; and
3. Maintain records reflecting the actions taken in response to the analysis.

HUD describes impediments to fair housing choice in terms of their applicability to local, state, and federal law. The federal Fair Housing Act defines impediments as:

*Any actions, omissions, or decisions taken because of race, color, religion, sex, national origin, familial status, and mental or physical disability that restrict housing choices or the availability of housing choices.*

The AI is part of a multi-stage planning process: it provides a focused, comprehensive look into fair housing issues and generates fair housing goals to inform later planning processes, such as the Consolidated Plan (designating use of block grant funds), as well as other relevant activities. The AI process involves a thorough examination of a variety of sources related to housing, affirmatively furthering fair housing, the fair housing delivery system, and housing transactions, particularly for persons who are protected under fair housing law. AI sources include census data, employment, and income information, federal and state fair housing complaint information, surveys of housing industry experts and stakeholders, and related information found in the public domain.

While housing issues are complex and multi-faceted and affect all residents of the region, the purpose of this AI is to focus specifically on fair housing and related needs and actions. The AI, therefore, examines whether housing issues are experienced differently on the basis of characteristics protected by the Fair Housing Act, which was crafted to address segregation and prohibit discrimination on the basis of race, ethnicity, national origin, religion, sex, familial status, and disability. It also includes characteristics protected under state and local law, including any protections for sexual orientation and gender identity.

An AI also includes an involved public input and review process via direct contact with stakeholders, public forums to collect input from citizens and interested parties, distribution of draft reports for citizen review, and formal presentations of findings and possible actions to overcome the identified impediments.

The AI follows the Assessment of Fair Housing process and template, as developed by HUD in its 2015 regulation and Assessment Tool. As described below, its scope includes in-depth looks at a number of areas relevant to fair housing, including trends and description of demographics; patterns of segregation and integration; identification of racially/ethnically concentrated areas of poverty ("R/ECAPs"); disproportionate housing needs (including cost burden and the adequacy and safety of housing); disparities in access to opportunity (education, employment, low poverty exposure, and environmental health); disabilities and access; publicly-supported housing; and fair housing enforcement, outreach, and capacity. In addition to data, maps, and policy analysis, it examines barriers

to fair housing and their underlying causes (“contributing factors”). Most importantly, its data and analyses (including community input) provide the foundation for meaningful fair housing goals that address specific local issues.

## **B. Why Assess Fair Housing in Rochester?**

Assessing fair housing in Rochester, Minnesota is crucial for several compelling reasons that reflect the community's unique dynamics and needs:

1. **Diverse Demographic Landscape:** Rochester is home to a diverse population with varying socioeconomic backgrounds, cultural heritages, and housing preferences. Assessing fair housing ensures that all residents, regardless of race, ethnicity, income level, or family status, have equitable access to housing options that meet their needs.
2. **Growth and Development Challenges:** As one of the fastest-growing cities in Minnesota, Rochester faces ongoing challenges related to urban development, housing availability, and affordability. Assessing fair housing helps identify barriers that may hinder residents' ability to secure safe, affordable housing amidst rapid growth and expansion.
3. **Legal Compliance and Accountability:** By conducting fair housing assessments, Rochester adheres to federal, state, and local fair housing laws and regulations. This ensures that the city remains accountable for promoting housing opportunities without discrimination based on protected characteristics such as race, disability, or familial status.
4. **Addressing Discrimination and Inequities:** Assessing fair housing allows Rochester to confront and address discriminatory practices and systemic inequities that may exist within the housing market. By identifying these barriers, the city can implement targeted strategies to dismantle discriminatory practices and promote fair housing practices for all residents.
5. **Community Well-being and Quality of Life:** Access to safe, stable housing is essential for individual and community well-being. Assessing fair housing helps Rochester identify areas where housing conditions may impact health outcomes, educational opportunities, and overall quality of life for residents.
6. **Promoting Economic Opportunity:** Fair housing assessments contribute to economic development by ensuring that housing policies and practices support economic stability and mobility for all residents. By fostering diverse and inclusive neighborhoods, Rochester can attract businesses, spur economic growth, and enhance community prosperity.
7. **Building Inclusive Communities:** Assessing fair housing fosters inclusive communities where individuals from diverse backgrounds can live, work, and thrive together. By promoting integration and diversity within neighborhoods, Rochester can strengthen social cohesion and cultivate a sense of belonging among all residents.

In essence, assessing fair housing in Rochester is not only a legal requirement but also a proactive step towards building a more equitable, inclusive, and thriving community where every resident has access to fair and affordable housing opportunities. By addressing challenges and promoting fairness in housing practices, Rochester can lay the groundwork for a sustainable and prosperous future for all its residents. The City will prepare an Analysis of Impediments to Fair Housing Choice to document the assessment.

### **Conducting an Analysis of Impediments to Fair Housing Choice (AI):**

- Taking appropriate actions to overcome the effects of any impediments identified through the analysis and
- Maintaining records reflecting the analysis and actions taken.

### **HUD interprets these three certifying elements to entail:**

- Analyzing and working to eliminate housing discrimination in the jurisdiction.
- Promoting fair housing choices for all people.
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy.
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

On July 16, 2015, the Affirmatively Furthering Fair Housing (AFFH) Final Rule was published, providing program participants with an approach to more effectively and efficiently incorporate into the planning process the duty of affirmatively furthering the policies of the Fair Housing Act. The purpose of this rule was to refine the prior analysis of the impediments approach by replacing it with a fair housing assessment tool that would better inform HUD program participants' planning process and assist them in fulfilling the statutory obligation. Per the AFFH Rule, no Assessment of Fair Housing (AFH) will be due before the publication of the Assessment Tool applicable to the program participant. In addition, HUD must provide a minimum of nine (9) months after publication of the Assessment Tool when setting the deadline for submission of the AFH.

On February 9, 2023, HUD published a Notice of Proposed Rulemaking in the Federal Register entitled "Affirmatively Furthering Fair Housing." The proposed rule, which builds on and refines HUD's 2015 rule, would faithfully implement the Fair Housing Act's statutory mandate that HUD ensure that recipients of its funding affirmatively further fair housing (AFFH). The AFFH mandate requires the agency and its program participants to proactively take meaningful actions to overcome segregation patterns, promote fair housing choices, eliminate disparities in opportunities, and foster inclusive communities free from discrimination.

## **C. Research Methodology/Community Participation Process**

The 2025 - 2029 Analysis of Impediments to Fair Housing Choice offers a thorough examination of a variety of sources related to housing, such as demographic change, economic influences, and the state of the housing market, but also information pertaining to affirmatively furthering fair housing, the state of the fair housing delivery system and housing transactions affecting people throughout Rochester. This information was collected and evaluated through four general approaches:

- **Primary Research** – the collection and analysis of raw data that did not previously exist.
- **Secondary Research** – the review of existing data and studies.
- **Quantitative Analysis** – the evaluation of objective, measurable, and numerical data.
- **Qualitative Analysis** – the evaluation and assessment of subjective data, such as people’s beliefs, feelings, attitudes, opinions, and experiences.

Some of the baseline secondary and quantitative data providing a picture of the city’s housing marketplace were drawn from the 2020 census and intercensal estimates. These data included population, personal income, poverty estimates, housing units by tenure, cost burdens, and housing conditions. Other data were drawn from records provided by the Bureau of Economic Analysis, the Bureau of Labor Statistics, and a variety of other sources. The narrative below offers a brief description of other key data sources employed for the 2024 Rochester AI.

### **Community Engagement**

- **Stakeholder Surveys in conjunction with this Analysis** - a survey was designed to collect information from community stakeholders. These surveys were distributed in hard-copy format and were also hosted online through SurveyMonkey.com and Polco to provide an alternative means of response.

The Fair Housing Survey was designed to collect input from a broad spectrum of the community and received responses from City of Rochester residents and non-residents. The survey consisted of 30 distinct questions, allowing a mixture of both multiple-choice and open-ended responses. In all, there were 650 responses to this survey, though not every question was answered by every respondent. As a result, where a percentage of survey respondents is cited in this Analysis, it refers only to the percentage of respondents to the question being discussed and may not be a percentage of the total survey respondents.

Surveys were received over a period from April 8, 2024 – May 13, 2024. Paper surveys received were manually entered by the survey administrator into Survey Monkey for tabulation and analysis. To prevent “ballot stuffing,” the Survey Monkey software bars the submission of multiple surveys from a single IP address. The link to the online survey was distributed through various email distribution lists.



- **Stakeholder Interviews** – Key groups of community stakeholders were identified, contacted, and interviewed as part of this Analysis. These stakeholders included representatives of nonprofit organizations (especially nonprofit housing developers), municipal officials, City of Rochester staff, fair housing advocates, and homeless service providers. Other stakeholders not belonging to any of these groups were occasionally interviewed as dictated by the course of research carried out for this Analysis.
- **Public Meeting** – Public meetings were held to provide a forum for City of Rochester residents and other interested parties to contribute to this Analysis and the City’s Consolidated Plan. These meetings were advertised via flyers distributed by the City of Rochester using its various mailing distribution lists. Local libraries and nonprofits receiving the posters were asked to print and post or distribute them as appropriate. The format of these meetings were moderated forums. Notes were taken of the public comments at all meetings.

## **D. Current 2024 Impediments and Contributing Factors**

### **Impediment 1: Limited Fair Housing Education and Awareness in Community**

As the City continues to expand with an increasingly diverse population, fair housing education must be continuous and presented in a context that is relative to the current community concerns.

Education and awareness of fair housing laws is imperative to alleviating housing discrimination. About 62 percent of survey respondents stated they were aware of their fair housing rights and only 57 percent knew where to file a fair housing complaint.

### **Impediment 2: Housing Affordability Mismatch - Distribution of Renter Households and Affordable Rental Units**

Housing affordability mismatch, particularly for households earning less than \$35,000 annually exists in Rochester. While the availability of affordable rental units improves as household income increases, there is a significant shortfall in affordable housing for lower-income renters. It is important to note that some of the units identified as affordable to people of a particular income level may in fact be occupied by households with higher incomes, reducing the stock available for lower income households. This highlights the critical need for policies and interventions focused on increasing the supply of affordable housing for those in the lowest income brackets to ensure equitable access to safe and stable housing.

## **E. Glossary of Terms**

Throughout this document you will find specialized terms used to describe some of the research and findings. This glossary of terms has been prepared to familiarize the reader with some of the words and the way they are being defined and used in this Analysis of Impediments to Fair Housing Choice.

**Accessibility:** whether a physical structure, object, or technology is able to be used by people with disabilities such as mobility issues, hearing impairment, or vision impairment.

Accessibility features include wheelchair ramps, audible crosswalk signals, and TTY numbers.

**Affirmatively Further Fair Housing (AFFH):** a requirement under the Fair Housing Act that local governments take steps to further fair housing, especially in places that have been historically segregated.

**American Community Survey (ACS):** a survey conducted by the US Census Bureau that regularly gathers information about demographics, education, income, language proficiency, disability, employment, and housing. Unlike the Census, ACS surveys are conducted both yearly and across multiple years. The surveys study samples of the population, rather than counting every person in the U.S. like the Census.

**Americans With Disabilities Act (ADA):** federal civil rights law that prohibits discrimination against people with disabilities.

**Annual Action Plan:** an annual plan used by local jurisdictions that receive money from HUD to plan how they will spend the funds to address fair housing and community development. The Annual Action Plan carries out the larger Consolidated Plan.

**CDBG:** Community Development Block Grant. Money that local governments receive from HUD to spend on housing and community improvement.

**Census Tract:** small subdivisions of cities, towns, and rural areas that the Census uses to group residents together and accurately evaluate the demographics of a community. Several census tracts, put together, make up a town, city, or rural area.

**Consolidated Plan (Con Plan):** a plan that helps local governments evaluate their affordable housing and community development needs and market conditions. Local governments must use their Consolidated Plan to identify how they will spend money from HUD to address fair housing and community development. Any local government that receives money from HUD in the form of CDBG, HOME, ESG, or HOPWA grants must have a Consolidated Plan. Consolidated Plans are carried out through annual Action Plans. See: Action Plan, CDBG, HOME, ESG, HOPWA.

**Continuum of Care (CoC):** a HUD program designed to promote commitment to the goal of ending homelessness. The program provides funding to nonprofits and state and local governments to quickly rehouse homeless individuals and families, promote access to and effect utilization of mainstream programs by homeless individuals, and optimize self-sufficiency among individuals and families experiencing homelessness.

**Data and Mapping Tool (AFFHT):** an online HUD resource combining data from various sources including HUD, the decennial Census data, and the American Community Survey to generate maps and tables evaluating the demographics of an area for a variety of categories, including race, national origin, disability, Limited English Proficiency, housing problems, environmental health, and school proficiency, etc.

**Disparate Impact:** practices in housing that negatively affect one group of people with a protected characteristic (such as race, sex, or disability, etc.) more than other people

without that characteristic, even though the rules applied by landlords do not single out that group.

**Dissimilarity Index:** measures the percentage of a particular group's population that would have to move to a different census tract in order to be evenly distributed with a city or metropolitan area in relation to another group. The higher the Dissimilarity Index, the higher the level of segregation. For example, if a city's Black/White Dissimilarity Index were 65, then 65 percent of Black residents would need to move to another neighborhood for Black people and White people to be evenly distributed across all neighborhoods in the city.

**Entitlement Jurisdiction:** a local government that receives funds from HUD for housing and community development.

**ESG:** Emergency Solutions Grant. Funding provided by HUD to 1) engage homeless individuals and families living on the street, 2) improve the number and quality of emergency shelters for homeless individuals and families, 3) help operate these shelters, 4) provide essential services to shelter residents, 5) rapidly re-house homeless individuals and families, and 6) prevent families/individuals from becoming homeless.

**Environmental Health Index:** a HUD calculation based on potential exposure to harmful toxins at a neighborhood level. This includes air quality carcinogenic, respiratory, and neurological hazards. The higher the number, the less exposure to toxins harmful to human health.

**Environmental Justice:** the fair treatment and meaningful involvement of all people, especially minorities, in the development, implementation, and enforcement of environmental laws, regulations, and policies. In the past, environmental hazards have been concentrated near segregated neighborhoods, making minorities more likely to experience adverse health effects. Recognizing this history and working to change future environmental planning are essential pieces of environmental justice.

**Exclusionary Zoning:** the use of zoning ordinances to prevent certain land uses, especially the building of large and affordable apartment buildings for low-income people. A city with exclusionary zoning might only allow single-family homes to be built in the city, excluding people who cannot afford to buy a house.

**Exposure Index:** a measurement of how much the typical person of a specific race is exposed to people of other races. A higher number means that the average person of that race lives in a census tract with a higher percentage of people from another group.

**Fair Housing Act:** a federal civil rights law that prohibits housing discrimination on the basis of race, class, sex, religion, national origin, or familial status. See also: Housing Discrimination.

**Gentrification:** the process of renovating or improving a house or neighborhood to make it more attractive to middle-class residents. Gentrification often causes the cost of living in the neighborhood to rise, pushing out lower-income residents and attracting middle-class residents. Often, these effects which are driven by housing costs have a corresponding change in the racial demographics of an area.

**HOME:** HOME Investment Partnership. HOME provides grants to States and localities that communities use (often in partnership with nonprofits) to fund activities such as building, buying, and rehabilitating affordable housing for rent or ownership, or providing direct rental assistance to low-income people.

**HOPWA:** Housing Opportunities for Persons With AIDS. HUD makes grants under the HOPWA program to local communities, states, and nonprofits for projects that benefit low-income people living with HIV/AIDS and their families

**Housing Choice Voucher (HCV):** a HUD rental subsidy issued to a low-income household that promises to pay a certain amount of the household's rent. Prices, or payment standards, are set based on the rent in the metropolitan area, and voucher households must pay any difference between the rent and the voucher amount. Participants of the HCV program are free to choose any rental housing that meets program requirements

**Housing Discrimination:** the refusal to rent to or inform a potential tenant about the availability of housing. Housing discrimination also applies to buying a home or getting a loan to buy a home. The Fair Housing Act makes it illegal to discriminate against a potential tenant/buyer/lender based on that person's race, class, sex, religion, national origin, or familial status.

**Isolation Index:** a measurement of how much the typical person of a specific race is only exposed to people of the same race. For example, an 80 percent isolation index value for White people would mean that the population of people the typical White person is exposed to is 80 percent White.

**Inclusionary Zoning:** a zoning ordinance that requires that a certain percentage of any newly built housing must be affordable to people with low and moderate incomes.

**Jobs Availability Index:** number of jobs per 1000 people within a five-mile radius of the census tract center-point. Index is computed by the UC Davis Center for Regional Change.

**Jobs Proximity Index:** a HUD calculation based on distances to all job locations, distance from any single job location, size of employment at that location, and labor supply to that location. The higher the number, the better the access to employment opportunities for residents in a neighborhood.

**Labor Market Engagement Index:** a HUD calculation based on level of employment, labor force participation, and educational attainment in a census tract. The higher the number, the higher the labor force participation and human capital in the neighborhood.

**Limited English Proficiency (LEP):** residents who do not speak English as a first language, and who speak English less than "very well."

**Local Data:** any data used in this analysis that is not provided by HUD through the Data and Mapping Tool (AFFHT), or through the Census or American Community Survey.

**Low Income Housing Tax Credit (LIHTC):** provides tax incentives to encourage individual and corporate investors to invest in the development, acquisition, and rehabilitation of affordable rental housing.

**Low Poverty Index:** a HUD calculation using both family poverty rates and public assistance receipt in the form of cash-welfare (such as Temporary Assistance for Needy Families (TANF)). This is calculated at the Census Tract level. The higher the score, the less exposure to poverty in the neighborhood.

**Low Transportation Cost Index:** a HUD calculation that estimates transportation costs for a family of 3, with a single parent, with an income at 50 percent of the median income for renters for the region. The higher the number, the lower the cost of transportation in the neighborhood.

**Market Rate Housing:** housing that is not restricted by affordable housing laws. A market rate unit can be rented for any price that the market can support.

**NIMBY: Not In My Back Yard.** A social and political movement that opposes housing or commercial development in local communities NIMBY complaints often involve affordable housing, with reasons ranging from traffic concerns to small town quality to, in some cases, thinly veiled racism.

**Poverty Line:** the minimum level of yearly income needed to allow a household to afford the necessities of life such as housing, clothing, and food. The poverty line is defined on a national basis. The 2024 US poverty line for a family of three is \$25,820.

**Project-Based Section 8, Project-Based Rental Assistance, PBRA:** a government-funded program that provides rental housing to low-income households in privately owned and managed rental units. The funding is specific to the building. If you move out of the building, you will no longer receive the funding.

**Public Housing:** housing that is owned and managed by a Public Housing Authority for eligible low-income households.

**Publicly Supported Housing:** housing assisted with funding through federal, State, or local agencies or programs, as well as housing that is financed or administered by or through any such agencies or programs.

**Other Multi-Family Housing:** multifamily housing that is owned and operated by private owners, and is subsidized through programs other than HCV, PBRA, or LIHTC. Units include properties funded through Supportive Housing for the Elderly (Section 202), and Supportive Housing for Persons with Disabilities (Section 811).

**Reasonable Accommodation:** a change to rules, policies, practices, or services which would allow a handicapped person an equal opportunity to use and enjoy their housing, including in public and common use areas. It is a violation of the Fair Housing Act to refuse to make a reasonable accommodation when such accommodation is necessary for the handicapped person to have equal use and enjoyment of the housing.

**R/ECAPs:** Racially and Ethnically Concentrated Areas of Poverty. This is a HUD-defined term indicating a census tract that has more than 50 percent Non-White residents, and 40 percent or more of the population is in poverty OR where the poverty rate is greater than

three times the average poverty rate in the area. In the HUD Data and Mapping Tool (AFFHT), R/ECAPS are outlined in pink.

**Rehabilitation Act (Section 504):** a federal civil rights law that prohibits discrimination on the basis of disability in programs conducted by federal agencies, in programs receiving federal financial assistance, in federal employment and in the employment practices of federal contractors.

**School Proficiency Index:** a HUD calculation based on performance of 4th grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower performing elementary schools. The higher the number, the higher the school system quality is in a neighborhood.

**Segregation:** the separation or isolation of a race/ethnic group, national origin group, individuals with disabilities, or other social group by enforced or voluntary residence in a restricted area, by barriers to social connection or dealings between persons or groups, by separate educational facilities, or by other discriminatory means.

## II. COMMUNITY CHARACTERISTICS

### A. Historical Profile

Rochester was officially founded in 1854. It was established as a small settlement along the Zumbro River, which provided water and transportation resources crucial for early settlers. The area was inhabited by Native American tribes, including the Sioux and used for hunting and trade. In the 1860s, the arrival of the railroad significantly boosted Rochester's



growth by improving access to other regions and facilitating trade. Initially, Rochester's economy was based on agriculture, logging, and small-scale manufacturing but developed to a more diversified economy as the population grew. In 1889, a pivotal moment occurred with the founding of the Mayo Clinic by Dr. William Worrall Mayo and his sons, Dr. Charles Horace Mayo and Dr. William James Mayo. The clinic began as a small practice but evolved

into a world-renowned medical center.



The Mayo Clinic's growth attracted medical professionals, researchers, and patients from around the world, transforming Rochester into a major center for healthcare and medical research. Rochester experienced significant urban growth in the 20th century. The city expanded its infrastructure, including roads, schools, and residential areas, to accommodate the increasing population and economic activity.

The city also became a hub for technology and innovation. The city has developed a rich cultural scene with numerous events, festivals, and community activities. Historic landmarks and museums preserve Rochester's heritage and celebrate its growth. The city hosts a variety of cultural and recreational facilities, including the Rochester Art Center and the Rochester Civic Theatre.

In recent years, the city has focused on expanding public transit, green spaces, and residential areas. Rochester continues to evolve as a center for medical research, technology, and economic innovation. The city's commitment to sustainability and smart

city initiatives reflects its ongoing growth and modernization. Institutions like the University of Minnesota Rochester, Rochester Community and Technical College, and local school districts contribute to the city’s educational landscape. Rochester serves as a regional hub for healthcare, education, and economic activity, influencing the broader southeastern Minnesota region. The city’s continued development has contributed to a high quality of life for its residents, with access to top-tier medical care, educational opportunities, and vibrant community activities. Rochester is expected to continue its growth and development, with ongoing investments in infrastructure, technology, and community services.

**B. Demographic Profile**

The primary source of demographic data used in this study comes from the U.S. Census Bureau. The American Community Surveys (ACS) provides the most recent demographic data and important information used to show the trends in population and household changes over the years. Demographic data was analyzed and obtained from the 2020 U.S. Census 2022 American Community Survey (ACS).

**Population**

According to ACS estimates, Rochester, Minnesota, has experienced a 13.70% population increase, with the population increasing from 106,769 in 2010 to 121,395 in 2020. Rochester has experienced steady growth over recent decades. The city’s population growth is partly fueled by its strong economy, high quality of life, and employment opportunities in the healthcare sector.

**Age and Sex Over the Years**

The population is relatively young, with the largest concentration of residents in the working-age group (25-44 years). There is also a notable number of retirees, reflecting the city’s appeal to both younger families and older adults. According to the 2022 American Community Survey 5-Year Estimates, the median age of Rochester Residents is 36.3.

Regarding sex, females have historically slightly outnumbered males within the city. That trend has continued during the period under review, as women edged out men 50.95% to 49.05% as of the 2022 census, a slight change from 2018 numbers that reflected 51.29% to 48.71% for women to men. The senior citizen population of 65 and over has experienced a 14.73% increase. With this observation, the city will need to consider the growing number of elderly when developing community housing plans.

<b>AGE &amp; SEX POPULATION CHARACTERISTICS</b>						
<b>Age</b>	2018			2022		
	Both Sexes	Male	Female	Both Sexes	Male	Female
		113,913	55,482	58,431	120,848	59,270
Under 18 years	27,241	13,926	13,315	28,534	14,731	13,803
18 to 24 years	9,667	4,648	5,019	10,585	5,186	5,399
25 to 44 years	33,338	16,782	16,556	35,914	17,990	17,924



45 to 64 years	27,169	13,245	13,924	26,887	13,290	13,597
65 years and over	16,498	6,881	9,617	18,928	8,073	10,855
Median Age [years]	35.8	35	36.9	36.3	35.4	37.2

**Table 1: Age & Sex Population Characteristics Source: U.S. Census Bureau 2018 & 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

### Households

A household consists of all the people who occupy a housing unit, which can be a single-family home, apartment, or other types of housing. The number of households in each area is influenced by factors such as population growth, migration patterns, and housing availability.

According to the 2022 ACS 5-Year Estimates Survey, there are currently 50,236 households in Rochester, Minnesota. Currently the average household size is 2.35 and the family size is 3.01. The data also shows most households are owner-occupied married-couple family households. Most of the renter-occupied housing is comprised of nonfamily households.

HOUSEHOLD AND FAMILIES					
	Total	Married-couple family household	Male householder, no wife present	Female householder, no husband present	Nonfamily household
Total Households	50,236	23,492	1,850	4,200	20,694
Average Household Size	2.35	3.09	3.35	3.08	1.27
FAMILIES					
Total Families	29,542	23,492	1,850	4,200	(X)
Average Family Size	3.01	3.08	2.88	2.66	(X)
HOUSING TENURE					
Owner-Occupied Housing	65.50%	84.70%	63.60%	53.50%	46.20%
Renter-Occupied Housing	34.50%	15.30%	36.40%	46.50%	53.80%

**Table 2: Household and Families Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

In Rochester, Minnesota, the marital status distribution generally reflects a broad range of relationship statuses. Rochester's community is influenced by its healthcare sector, educational institutions, and family-friendly environment, which all contribute to its overall marital status distribution. According to the 2022 ACS 5 Year Estimates Survey, approximately 51% of adults are married. This figure represents a significant portion of the population and reflects a stable family structure in the city. Around 34% of adults have never been married. This category includes young adults who are still in the early stages of their careers or education, as well as those who may have chosen to delay marriage.

About 10% of adults are divorced or separated. This statistic indicates a moderate level of divorce rates in the city, consistent with national averages. Roughly 5% of adults are widowed. This group typically includes older adults who have lost their spouses.

MARITAL STATUS			
2018		2022	
Never married	31.30%	Never married	34.00%
Now married, except separated	52.90%	Now married, except separated	50.90%
Divorced or separated	10.80%	Divorced or separated	10.00%
Widowed	4.90%	Widowed	5.10%

**Table 3: Household Type Source: U.S. Census Bureau 2018 & 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

### Race and Ethnicity

Rochester’s demographic profile reflects its growing diversity, influenced by its status as a regional healthcare and education hub, which attracts residents from various backgrounds. Rochester’s racial makeup consisted of 73.23% White; 8.89% Black or African American; 0.44% American Indian and/or Alaskan Native; 7.86% Asian; 0.06% Pacific Islander; 2.93% from some other races; and 6.60% from two or more races; 42.40% were Hispanic or Latino of any race.

RACE AND ETHNICITY		
	Number	Percentage
<b>TOTAL POPULATION</b>	<b>121,395</b>	<b>100%</b>
White	88,892	73.23%
Black or African American	10,794	8.89%
American Indian and Alaska Native	530	0.44%
Asian	9,543	7.86%
Native Hawaiian and Other Pacific Islander	70	0.06%
Some other race	3,557	2.93%
Two or more races	8,009	6.60%
HISPANIC OR LATINO		
Hispanic or Latino	5,061	4.17%
Not Hispanic or Latino	73,754	60.76%
Not Identified	42,580	35.07%

**Table 4: Race and Ethnicity Source: U.S. Census Bureau 2020 Decennial, [www.census.gov](http://www.census.gov)**

### Origin and Ancestry

The origin and ancestry of a population provide insights into the diverse backgrounds and cultural heritage of its residents. According to the U.S. Census Bureau's 2022 5-yr American Community Survey Estimates, there were approximately 16,892 foreign-born individuals in Rochester, Minnesota. Most of the foreign-born population originated from Asia, at 41.30%, while another notable portion comes from Africa, at 34.70%.

US CITIZEN STATUS		
Total Population	309,124	100%

Native	103,956	33.63%
Foreign Born	16,892	5.46%
Foreign Born; Naturalized citizen	9,062	2.93%
Not a citizen	7,830	2.53%
<b>Foreign born population</b>	<b>16,892</b>	<b>100%</b>
Foreign born, Entered 2010 or later	6,688	39.52%
Foreign born, Entered 2000 or 2009	4,607	27.27%
Foreign born, Entered before 2000	5,597	33.13%

**Table 5: Foreign-Born Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

WORLD REGION OF BIRTH OF FOREIGN BORN		
Foreign-born population excluding population born at sea	16,892	100%
Europe	1,486	8.80%
Asia	6,976	41.30%
Africa	5,862	34.70%
Oceania	51	0.30%
Latin America	2,247	13.30%
Northern America	270	1.60%

**Table 6: World Region of Birth Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

Rochester, Minnesota has a diverse population with a variety of ancestral backgrounds. The city's ancestry profile reflects historical immigration patterns and current demographic trends. The following table presents the ancestry of Rochester residents in 2022. The most common ancestries identified were German (28.7%), Norwegian (11.9%), and Irish (10.20%). Rochester's diverse ancestry profile is influenced by its role as a healthcare and educational hub, which attracts people from various backgrounds and regions.

ANCESTRY		
<b>Total population</b>	<b>120,848</b>	<b>100%</b>
American	3,204	2.70%
Arab	1,700	1.40%
Czech	1,315	1.10%
Danish	1,135	0.90%
Dutch	2,185	1.80%
English	8,438	7.00%
French (except Basque)	2,288	1.90%
French Canadian	649	0.50%
German	34,696	28.70%
Greek	134	0.10%
Hungarian	346	0.30%
Irish	12,302	10.20%
Italian	2,137	1.80%
Lithuanian	192	0.20%
Norwegian	14,332	11.90%

Polish	3,267	2.70%
Portuguese	54	0.00%
Russian	457	0.40%
Scotch-Irish	568	0.50%
Scottish	1,632	1.40%
Slovak	146	0.10%
Sub-Saharan African	6,263	5.20%
Swedish	3,694	3.10%
Swiss	676	0.60%
Ukrainian	390	0.30%
Welsh	628	0.50%
West Indian (excluding Hispanic origin groups)	44	0.00%

**Table 7: Ancestry Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

### Limited English Proficiency

Section 601 of Title VI, the Civil Rights Act of 1964, is the federal law that protects individuals from discrimination based on their race, color, or national origin in programs or activities that receive federal financial assistance. One type of national origin discrimination is based on a person's inability to speak, read, write, or understand English. In certain situations, failure to ensure that persons who are LEP can effectively participate in or benefit from federally assisted programs may violate the Civil Rights Act.

In Rochester, Minnesota, the population with Limited English Proficiency (LEP) includes individuals who speak English less than "very well." The LEP population of Rochester is consistent with the national origin data. Spanish is, by far, the most spoken language among LEP individuals in Rochester, Minnesota reflecting the city's growing Hispanic and Latino community. Although English is predominantly spoken, roughly 18% of the population speak other languages, which suggests a need for accommodations of those non-English speaking residents. Hmong, Somali, Chinese, Vietnamese, Korean, and various African languages are most common. Rochester offers resources to support LEP individuals, including language assistance services in healthcare facilities, translation services in educational institutions, and community organizations that provide support in multiple languages.

LANGUAGE SPOKEN AT HOME		
<b>Population 5 years and over</b>	<b>112,582</b>	<b>100%</b>
English only	92,520	82.20%
Spanish	4,227	3.80%
Other Indo-European languages	3,842	3.40%
Asian and Pacific Islander languages	5,750	5.10%
Other languages	6,243	5.50%

**Table 8: Language Spoken at Home Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

**C. Income Profile**

Household income is a determining factor of where people can afford to live and the quality of housing conditions they can afford to have. The income and poverty profile presents an overview of household income, data elements that include household size, low-income population, and percentage of median family households in poverty. An income profile provides insights into the economic well-being of a population by examining income levels, distribution, and related factors. As noted in the table below, the median household income for Rochester increased by 18.69% from \$70,749.00 in 2018 to \$83,973.00 in 2022, while the mean family income also increased by 20.26% from \$94,495.00 in 2018 to \$113,641.00 in 2022. Rochester generally has higher median household incomes compared to national averages, partly due to the high-paying jobs in the healthcare sector.

HOUSEHOLD INCOME				
	2018		2022	
	Total Number of Households	%	Total Number of Households	%
<b>Total Households</b>	<b>45,945</b>	<b>100%</b>	<b>50,236</b>	<b>100%</b>
<b>Less than \$10,000</b>	2,022	4.40%	1,708	3.40%
<b>\$10,000 to \$14,999</b>	1,838	4.00%	1,206	2.40%
<b>\$15,000 to \$24,999</b>	3,308	7.20%	3,115	6.20%
<b>\$25,000 to \$34,999</b>	3,446	7.50%	2,964	5.90%
<b>\$35,000 to \$49,999</b>	5,422	11.80%	4,722	9.40%
<b>\$50,000 to \$74,999</b>	8,132	17.70%	8,590	17.10%
<b>\$75,000 to \$99,999</b>	6,524	14.20%	6,732	13.40%
<b>\$100,000 to \$149,999</b>	8,086	17.50%	9,796	19.50%
<b>\$150,000 to \$199,999</b>	3,630	7.90%	5,225	10.40%
<b>\$200,000 or more</b>	3,538	7.70%	6,179	12.30%
<b>Median Household Income</b>	<b>\$70,749.00</b>		<b>\$83,973.00</b>	
<b>Mean Family Income</b>	<b>\$94,495.00</b>		<b>\$113,641.00</b>	

**Table 9: Household Income Source: U.S. Census Bureau 2018 & 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

**CDBG Income Limits in Rochester, MN**

The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs including Public Housing. Since FY 2011, HUD has based its median family income estimates on data from the Census Bureau’s American Community Survey (ACS). Since FY 2012, there has been a 3-year lag between the ACS estimates and the fiscal year for which the income limits are in effect. For example, the FY 2022 median family incomes and income limits were based on the ACS 2019 data. The FY 2023 median family incomes and income limits would ordinarily be

based on the ACS 2020 estimates. However, because of the lack of 1-year ACS 2020 estimates described above, HUD intends to instead base the FY 2024 median family incomes and income limits on ACS 2021 data.

The CDBG Program provides annual grants on a formula basis to Entitlement Communities to support viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low-and moderate-income persons. For a project or program to qualify for CDBG funds, 51% of the program beneficiaries must be low- to moderate-income as defined by HUD.

The following table reflects the current HUD income limits for one to eight-person households who earn at or below 80% of the Area Median Income (AMI) for Rochester, MN.

2024 CDBG MAXIMUM INCOME LIMITS			
Household Size	Extremely Low-Income Limits	Very Low (50%) Income Limits	Low (80%) Income Limits
1	\$24,650	\$41,050	\$65,650
2	\$28,150	\$46,900	\$75,000
3	\$31,650	\$52,750	\$84,400
4	\$35,150	\$58,600	\$93,750
5	\$38,000	\$63,300	\$101,250
6	\$41,960	\$68,000	\$108,750
7	\$47,340	\$72,700	\$116,250
8	\$52,720	\$77,400	\$123,750

**Table 10: FY 24 Income Limits Summary Source: [FY 2024 Income Limits Documentation System – Summary for Rochester, MN HUD Metro FMR Area \(huduser.gov\)](#)**

### **Percentage of Poverty in Rochester, MN**

According to U.S. Census and ACS data, Female head of household, no husband present, families with related children under the age of 5 and 5 to 17 years old whose income was below poverty level was 21.50% in 2022.

POVERTY CHARACTERISTICS						
	All Families		Married-couple families		Female householder, no spouse present	
	Total	% Below Poverty Level	Total	% Below Poverty Level	Total	% Below Poverty Level
<b>Families</b>	<b>29,542</b>	<b>6.00%</b>	<b>23,492</b>	<b>2.80%</b>	<b>4,200</b>	<b>21.50%</b>

With related children of householder under 18 years	14,624	9.80%	10,276	4.20%	3,049	27.00%
With related children of householder under 5 years	3,362	8.60%	2,452	1.60%	601	30.60%
With related children of householder under 5 years and 5 to 17 years	2,177	7.40%	1,705	5.00%	204	29.90%
With related children of householder 5 to 17 years	9,085	10.80%	6,119	5.00%	2,244	25.80%

**Table 11: Family Poverty Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

#### D. Employment Profile

Rochester, Minnesota, has a dynamic employment profile influenced by its status as a major healthcare hub and its growing economy. Data regarding the labor force, defined as the total number of persons working or looking for work and employment, is gathered from the decennial census, and American Community Survey estimates are presented below. The labor force participation remained constant from 2018 to 2022 despite the COVID-19 pandemic. The employed population increased by 0.6 percent during that time while the unemployment rate decreased by 0.5 percent.

EMPLOYMENT STATUS				
	2018		2022	
<b>Population 16 years and over</b>	<b>89,373</b>	<b>100%</b>	<b>95,397</b>	<b>100%</b>
In labor force	63,109	70.60%	67,590	70.90%
Not in labor force	26,264	29.40%	27,807	29.10%
<b>Population 16 years and over</b>	<b>89,373</b>	<b>100%</b>	<b>95,397</b>	<b>100%</b>
Civilian labor force	63,073	70.60%	67,552	70.80%
<i>Employed</i>	60,398	67.60%	65,026	68.20%
<i>Unemployed</i>	2,675	3.00%	2,526	2.60%
Armed Forces	<b>36</b>	<b>0.00%</b>	<b>38</b>	<b>0.00%</b>
Unemployment Rate	<b>(x)</b>	<b>4.2%</b>	<b>(x)</b>	<b>3.7%</b>

**Table 12: Employment Source: U.S. Census Bureau 2018 & 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

#### *Jobs Held by Residents*

Healthcare is by far the largest sector, with a substantial portion of the workforce employed in medical and healthcare-related positions in Rochester, MN. This includes doctors, nurses, researchers, and administrative roles. A significant portion of the workforce is employed in retail, hospitality, and other service-oriented industries. This sector has seen growth in response to the city's expanding population. Education, Manufacturing, and Technology industries also make a significant impact in the Rochester job market. According to the 2022 5-year American Community Survey Estimates, 65,026 of

Rochester’s residents 16 years of age and over were part of the labor force in 2022. The largest portion of Rochester workers are in management, business, science, and arts occupations, with sales and office occupations coming in second. Service and production occupations combined account for about 24.6% of the workforce.

The following charts illustrate the categories of workers and their occupations.

OCCUPATIONAL CHARACTERISTICS		
Occupations of Rochester Residents	Estimated Number of Residents	% Employed by Occupation
<b>Civilian employed population 16 years and over</b>	<b>65,026</b>	<b>100%</b>
Management, business, science, and arts occupations	35,274	54.20%
Service occupations	10,199	15.70%
Sales and office occupations	10,386	16.00%
Natural resources, construction, and maintenance occupations	3,370	5.20%
Production, transportation, and material moving occupations	5,797	8.90%

**Table 14: Occupational Characteristics: Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

In Rochester, Minnesota, the worker class characteristics reflect the city’s diverse economic base, driven predominantly by healthcare but also including education, technology, and service sectors. There is continued expansion in healthcare-related jobs, driven by Mayo Clinic and other healthcare facilities. As the city’s population grows, there is an expanding demand for jobs in retail, hospitality, and other service industries. Increasing focus on technology and innovation, with more opportunities emerging in tech-related fields.

WORK CLASS CHARACTERISTICS		
Worker Class in Rochester, MN	Estimated Number of Residents	% Employed by Worker Class
<b>Civilian employed population 16 years and over</b>	<b>65,026</b>	<b>100%</b>
Private wage and salary workers	56,113	86.30%
Government workers	6,366	9.80%
Self-employed workers in own not incorporated business	2,462	3.80%
Unpaid family workers	85	0.10%

**Table 15: Work Class Characteristics: Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

**Major Employers**



The City of Rochester is home to a variety of firms that are an integral part of our diversified industry mix. The largest employer in Rochester, Mayo Clinic is renowned for its comprehensive healthcare services and research. It significantly shapes the local job market, providing a wide range of employment opportunities in medical and administrative fields. Historically, IBM has been a major employer in Rochester, contributing to the tech sector in the region. However, its role has diminished over recent years with changes in the company’s operations. Rochester is home to institutions like the University of Minnesota Rochester, Rochester Community and Technical College, and other educational organizations that contribute to local employment.

Company	Industry	Full-Time Local Employment
Mayo Clinic	Healthcare	36,330
Rochester Public Schools	Education	2,873
IBM	Technology	2,791
The City of Rochester	Government	1,764
Olmsted Medical Center	Healthcare	1,346
Olmsted County	Government	1,340
McNeilus Truck & Manufacturing	Manufacturing	1,250
Spectrum	Internet/Cable	634
Crenlo	Transportation	633
Benchmark Electronics	Manufacturing	540

**Table 17: Major Employers:** Source: [The 10 Biggest Employers In The Rochester Area \(kroc.com\)](http://www.kroc.com)

**E. Housing Profile**

Fair housing is also concerned with the availability of a range of housing types and prices. This section provides an overview of the housing market and of the dynamics affecting housing availability by analyzing the characteristics of housing stock, housing conditions, housing market sales, foreclosure data, owner/renter affordability, and housing problems. Housing stock impacts the ability to access adequate housing. This includes the number, type, size, and affordability of units. This is particularly important to low- and moderate-income persons, and persons in protected classes, including disabled persons, families with children, and the elderly.

**Demographics**

Examining the demographics of the City is key to understanding and addressing the housing needs of Rochester. Data on age, racial composition, disability, and socioeconomic status can provide insight into who lives in the City and help to inform decisions about how to meet diverse needs and allocate resources where most needed. Examining demographic data is also important for identifying mobility trends among different populations into and out of the City. Rochester’s total population increase by 13 percent since 2012. Slightly more than 60 percent of the population is between the age of 18 and 64, while 15.7 percent are 65 years or older.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

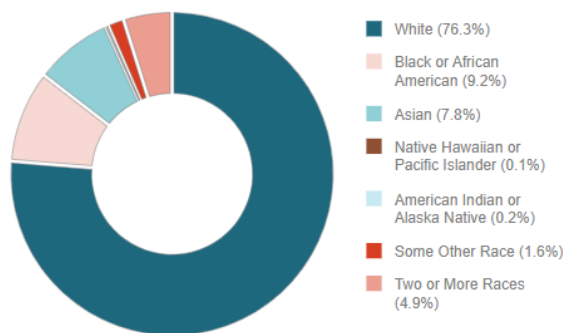
### Racial Composition

Much of the population identifies as White, comprising 76.3 percent of the total. The second largest group identifies as Black or African American (9.2%). About 7.8 percent of the population identifies as Asian, making them a significant minority within this demographic and individuals who identify as being of two or more races make up 4.9 percent of the population. About 1.6% of the population identifies as belonging to some other race and a small portion of about 0.3%, of the population identifies as American Indian or Alaska Native or Native Hawaiian or Pacific Islander.

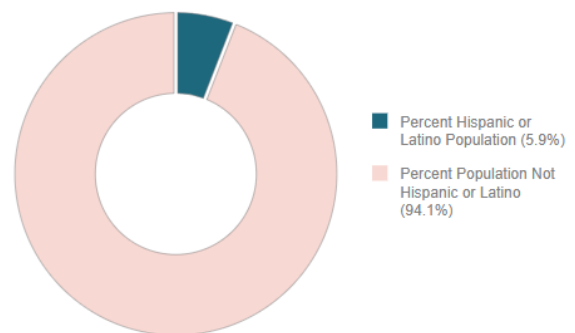
### Ethnic Composition

The ethnic composition chart focuses on the distinction between Hispanic or Latino ethnicity and those who do not identify as such. About 5.9 percent of the population identifies as Hispanic or Latino but the vast majority, 94.1%, of the population does not identify as Hispanic or Latino.

Racial Composition



Ethnic Composition



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

The charts reflect a predominantly White population with smaller but significant representations of Black or African American, Asian, and multiracial individuals. The Hispanic or Latino population constitutes a smaller segment of the overall population, indicating a demographic where non-Hispanic or Latino individuals overwhelmingly prevail. Not picture in the previous picture is the significant population of Sub-Saharan Africans from Somalia that make up a notable share of people in the community at about 5 percent of the population.

These demographic patterns are essential for understanding the cultural and social dynamics of the population, as well as for shaping policies and initiatives aimed at promoting diversity, equity, and inclusion. For instance, in contexts like housing, education, or employment, these figures could inform targeted outreach and support efforts to ensure that all racial and ethnic groups are adequately represented and supported.

### Characteristics of Housing

According to the U.S. Census, the number of housing units in Rochester has increased by 8.6 percent from 48,648 in 2018 to 52,851 in 2022 with 95% of the units occupied while 4.9 percent or 2,615 of the units were vacant. The City's homeowner vacancy rate decreased from 1.7 percent in 2018 to .4 percent in 2022 and the rental vacancy rate has increased from 4.5 percent to 5.8 percent in 2022.

Housing Unit Data		
	2018	2022
<b>Total housing units</b>	48648	52851
Occupied housing units	45945	50236
Vacant housing units	2703	2615
Homeowner vacancy rate	1.7%	0.4%
Rental vacancy rate	4.5%	5.8%

Table 17: Housing Unit Data, US Census, 2022 American Community Survey 5-Year Estimates

### Housing Stock

In Rochester, Minnesota, the physical characteristics of occupied housing units provide insight into the housing landscape of the community. The city has a total of 50,691 occupied housing units, with a majority being owner-occupied. Specifically, 65.5% of these units, or 33,202 homes, are owned by their occupants, while the remaining 34.5%, or 17,488 units, are renter-occupied.

The distribution of units by structure type reveals a diverse housing stock. A significant portion of the housing, 61.1%, consists of single unit detached homes, totaling 30,691 units. Single unit attached homes make up 8.7% of the housing units, with 4,365 units. Two-unit structures are less common, accounting for 1.5% or 755 units.

The housing stock also includes multi-family buildings: 3 or 4-unit structures represent 5.6% of the total, equating to 2,824 units, while buildings with 5 to 9 units make up 3.1% or 1,565 units. Larger multi-family buildings, with 10 or more units, constitute a notable 18.6% of the housing units, totaling 9,345 units. Mobile homes are the least common housing type, comprising 1.4% or 691 units.

This breakdown highlights the predominance of single-unit homes, both detached and attached, in Rochester's housing market, along with a substantial presence of larger multi-family housing options. The diversity in housing types reflects the city's capacity to accommodate a variety of housing needs and preferences among its residents.

<b>Physical Housing Characteristics for Occupied Housing Units</b>		
<b>Occupied housing units</b>	<b>50,236</b>	<b>100.0%</b>
Owner-occupied	33,202	65.5%
Renter-occupied	17,488	34.5%
<b>Units in Structure</b>		
Total housing units	50,236	61.1%
1-unit, detached	30,691	8.7%
1-unit, attached	4,365	1.5%
2 units	755	5.6%
3 or 4 units	2,824	3.1%
5 to 9 units	1,565	18.6%
10 or more units	9,345	1.4%
Mobile home	691	61.1%

**Table 18: Physical Housing Characteristics for Occupied Housing Units**  
US Census, 2022 American Community Survey 5-Year Estimates

### Age of Structure

The age of a dwelling unit is a factor used to evaluate the structural quality of the unit. The average industry standard for the life span of a single-family dwelling is generally 50 years. However, this typical life span often depends on the quality of the original construction and continued maintenance of the unit. Using this standard, some homes found within the City constructed prior to 1970 may be approaching the end of their useful life.

The table below identifies the age of year-round residential structures. The majority of the units in the City were built from 1980 to 1999 (26.5%). When considering the average life span of a dwelling unit, the homes built before 1970 will have already reached their 50-year life span. Thus, about 32% of the City's housing units have reached their life span. These homes require regular maintenance to remain structurally sound.

<b>Housing Stock Age</b>		
<i>Total housing units</i>	<b>50,236</b>	<b>100%</b>

Built 2020 or later	484	1.0%
Built 2010 to 2019	6,121	12.2%
Built 2000 to 2009	9,484	18.9%
Built 1980 to 1999	13,319	26.5%
Built 1960 to 1979	10,915	21.7%
Built 1940 to 1959	6,323	12.6%
Built 1939 or earlier	3,590	7.1%

Table19: Housing Unit Data, US Census, 2022 American Community Survey 5-Year Estimates

### Comprehensive Housing Affordability Strategy (CHAS)

HUD’s Comprehensive Housing Affordability Strategy (CHAS) is a commonly used gauge of housing affordability, or lack thereof. HUD considers a housing unit affordable if the occupant household expends no more than 30% of its income on housing cost. In the situation where the household expends greater than 30% of its income on housing cost, the household is considered cost burdened. In cases where housing cost is 50% of income or greater, the household is considered severely cost burdened. Cost burdened households have fewer financial resources to meet other basic needs (food, clothing, transportation, medical, etc.), less resources to properly maintain the housing structure, and are at greater risk for foreclosure or eviction.

### Income Categories

- Extremely Low Income: 0%-30% of the Area Median Income (AMI)
- Low Income: 31%-50% of the AMI
- Moderate Income: 51%-80% of the AMI
- Middle and Upper Income: 80% or More of the AMI

Housing Problem categories are defined below:

“Substandard Housing – lacking complete plumbing or kitchen facilities” is defined as a household without hot and cold piped water, a flush toilet and a bathtub or shower, and kitchen facilities that lack a sink with piped water, a range or stove, or a refrigerator. The second housing problem identified is households living in overcrowded conditions.

There are two forms of overcrowding defined by HUD:

- Severely overcrowded is defined as a household having complete kitchens and bathrooms but housing more than 1.51 persons per room excluding bathrooms, porches, foyers, halls, or half-rooms.

- Overcrowded is defined as a household having complete kitchens and bathrooms but housing more than 1.01 to 1.5 persons per room excluding bathrooms, porches, foyers, halls, or half-rooms.

Overcrowding				
Occupants Per Room	Owner	%	Renter	%
1.00 or less occupants per room	32,222	98.0%	16,817	96.9%
1.01 to 1.50 occupants per room	426	1.3%	248	1.4%
1.51 or more occupants per room	232	.7%	291	1.7%
<b>Total</b>	<b>50,236</b>	<b>(X)</b>	<b>17,356</b>	<b>(X)</b>

Table

20:

Housing Unit Data, US Census, 2022 American Community Survey 5-Year Estimates

The final housing problem identified is cost burden. Cost burden is a fraction of a household’s total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities. Cost burden is broken into two categories based on severity:

- Severe housing cost burden greater than 50% of income
- Housing cost burden greater than 30% of income

Although the 2022 ACS data provides an estimate of the number of households that are cost-burdened, CHAS data provides the number and percentages of households by income level within the City of Rochester that had housing problems as well as the size and type of household. The below analysis is based on this data. The latest available CHAS data is generated from the 2016-2020 ACS data, while dated, provides detailed information about housing cost burdens for all categories.

### Rental Affordability

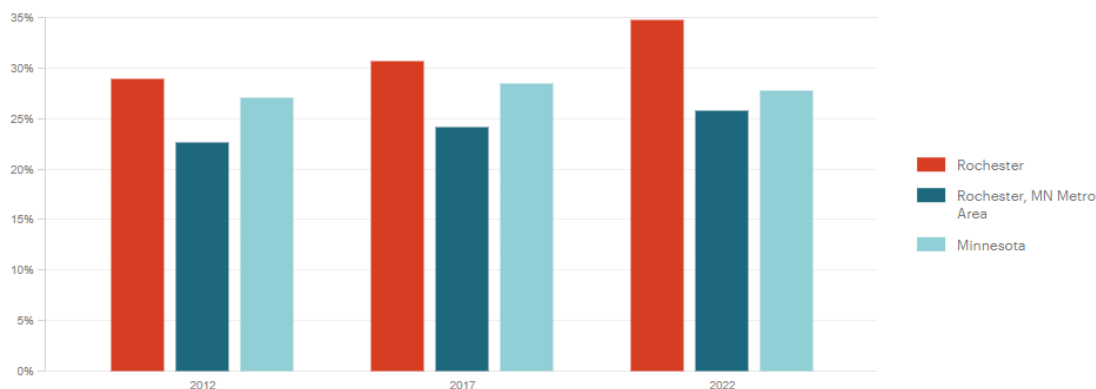
A healthy housing market provides a diverse range of housing options, including rental and for-sale homes and homes affordable to people of different incomes. An examination of the percentage of households that rent their homes, and the characteristics of these renter households (age, income, and cost-burden) can help jurisdictions understand the needs of renters and the extent to which policy changes may be needed to help ensure those needs are met.

By examining how the data changes over time, jurisdictions can spot trends, such as increased or decreased rental affordability. Data at the MSA and state levels provide benchmarks that can be helpful for interpreting the jurisdiction’s data. In addition to developing new dedicated affordable rental homes, it is important to consider how both to preserve existing dedicated affordable rental homes and to preserve unsubsidized rental homes that are nevertheless affordable. Since the overall supply of homes for rent

can affect rent levels, localities interested in making rental homes more affordable also may wish to focus on reducing barriers to the creation of new supply.

## Renter Housing

The supply of rentals has increased between 2018 and 2022 by 2,720 units. There were 14,069 occupied units paying rent in 2018 and 16,789 occupied units paying rent in 2022. The median monthly rent in 2020 was \$942 and increased to \$1,240 per month in 2022, a 31.63 percent increase. A moderate share of households rent in Rochester underscoring the importance of quality affordable rental housing. As of 2022, 34.6% of households in Rochester were renters, higher than the renter percentage in Minnesota (27.7%) and lower than the renter percentage in the U.S. (35.2%). The share of Rochester households who rent increased from 28.8% in 2012 to 34.6% in 2022. The share of Rochester households who rent remained flat in 2022. The following table estimates rental rates within the City according to the 2018 and 2022 ACS data.



**Figure 1: Share of Households Who Rent**  
US Census, 2022 American Community Survey 5-Year Estimates

The area median rent is estimated at \$1,357 according to the 2022 ACS estimates, which is higher than the 2-bedroom rent limit of \$1,222. The average rents commercially tend to exceed the area median rent and the fair market rent limits. The rental market in Rochester is increasingly more competitive as evidenced by the 17 percent increase in rent prices over the last two years. It is also important to note that assisted rental housing units do not disproportionately impact the market forces dictating rents in the City. Renters seeking efficiency and 1-bedroom units may face a tougher time accessing available units as it is increasingly cost prohibitive to rent such units.

<b>GROSS RENT</b>	<b>2022</b>		<b>2018</b>	
<i>Occupied units paying rent</i>	<b>16,789</b>	<b>100%</b>	14069	<b>100%</b>
Less than \$500	1912	10.4	1284	9.1
\$500 to \$999	4578	24.9	6502	46.2
\$1,000 to \$1,499	5803	31.5	3891	27.7
\$1,500 to \$1,999	3791	20.6	1729	12.3

# of Bedrooms Limit	Fair Market Rent	High Rent Limit 80% of Units	Low Rent Limit 20% of Units	
0	\$814	\$814	\$814	
1	\$927	\$927	\$927	
2	\$1,148	\$1,148	\$1,148	
3	\$1,618	\$1,618	\$1,534	
4	\$1,948	\$1,948	\$1,711	
\$2,000 to \$2,499		826	4.5	286
\$2,500 to \$2,999		505	2.7	149
\$3,000 or more		1005	5.5	228
<b>No cash rent</b>		523	(X)	387
<b>Median (dollars)</b>		\$1,240	(X)	\$942

Table 22: Gross Median Rent, US Census, 2022 American Community Survey 5-Year Estimates

Fair Market Rents (FMRs) are primarily used to determine payment standard amounts for HUD assisted housing. The High HOME Rent Limit for an area is the lesser of the Section 8 Fair Market Rent (FMR) for the area or a rent equal to 30% of the annual income of a family whose income equals 65% of the area median income, as determined by HUD. The Low HOME Rent Limit for an area is 30% of the annual income of a family whose income equals 50% of the area median income, as determined by HUD, capped by the High HOME Rent Limit. HUD’s Economic and Market Analysis Division calculates the HOME rents each year using the FMRs and Section 8 Income Limits. The 2024 HUD Fair Market Rents and HOME Rent Limits for the Rochester, MN HUD MSA are shown in the table below.

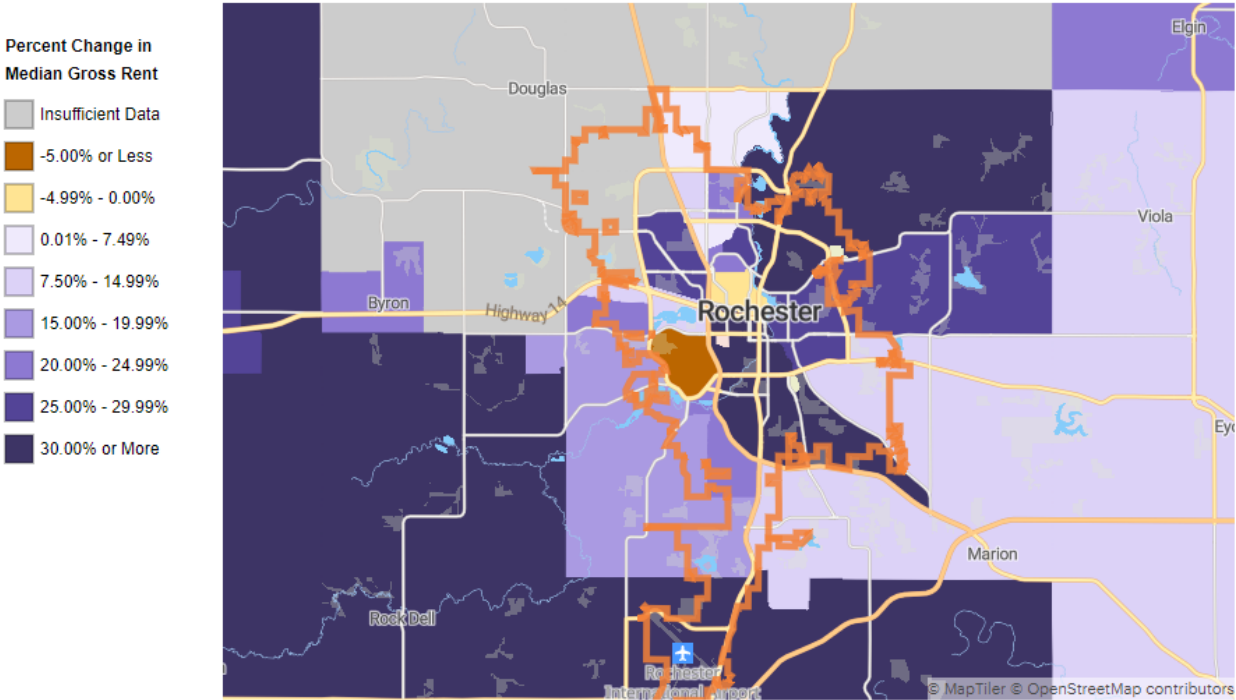
**Fair Market Rent, HOME High Rent Limit, and HOME Low Rent Limit**

Table 23: Source: HUD Fair Market Rent, <https://www.hudexchange.info/programs/home/home-rent-limits/>

**Change in Median Rent by Neighborhood**

Neighborhood-level data on rent trends can help jurisdictions spot large rent increases that could lead to (or be markers of) displacement in certain neighborhood as well as decreases in other neighborhoods that could be signs of continued or growing distress. The map below illustrates the change in median gross rent in Rochester between 2017 and 2022 by census tract and how rents contributed to the +36.7% overall change.





**Figure 2: Change in Median Rent by Neighborhood**  
 US Census, 2022 American Community Survey 5-Year Estimates

The National Low Income Housing Coalition’s “Out of Reach” 2024 Annual Report calculates the amount of money a household must earn in order to afford a rental unit based on the number of bedrooms in a rental unit at the Fair Market Rent (FMR), consistent with HUD’s affordability standard of paying no more than 30% of income for housing costs. Data is presented in the Renter Affordability table for the Rochester Metro Statistical Area (MSA).

As noted in the 2024 Out of Reach Report, the NLIHC estimates that the median income for a renter in the Rochester MSA is \$117,200. The Area’s Fair Market Rent (FMR) for a two-bedroom apartment is \$1,222 and in order to afford this level of rent and utilities, without paying more than 30% of income on housing, a person would need to work 40 hours per week at the mean renter wage and 80 hours at minimum wage of \$10.85 per hour.

## Share of Renter Households Cost Burdened by Race/Ethnicity

A moderately cost burdened renter household spends between 30 and 49.9% of their household income on gross rent (defined as monthly rent plus utilities expenses). A severely cost burdened renter household spends 50% or more of their household income on gross rent. Examining how the share of renter households that are cost-burdened changes over time can help the City understand whether affordability problems are easing or worsening. In Rochester, the share of renter households that are moderately or severely cost burdened increased from 45.0% in 2017 to 46.2% in 2022. Additionally, the share of renter households in Rochester that were moderately or severely cost-burdened in 2022 (46.2%) was higher than the share in the Rochester, MN Metro Area, (43.9%), and lower the share in the United States, (46.5%).



**Figure 3: Share of Renter Households Moderately or Severely Cost Burdened**

Source: Census 2008-2012 - 2018-2022 Data Contains: Rochester, MN

Across the U.S. there are substantial disparities in rental cost burdens by race and ethnicity. Although data may be limited for some races or ethnic groups, the City can use these charts to examine how the prevalence of both moderate and severe cost burdens vary across population subsets. The data shows that American Indian or Alaska Natives and Black households must dedicate a greater portion of their income to housing as opposed to other resources. Although White families had a lower percentage of cost burden families, the percentage of this group facing cost burden still remains high.

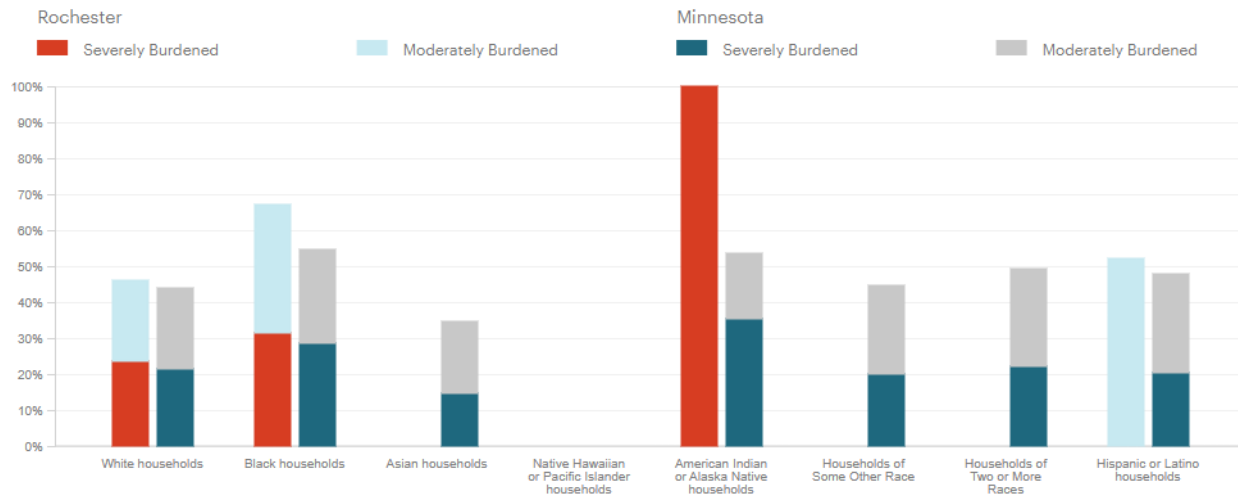
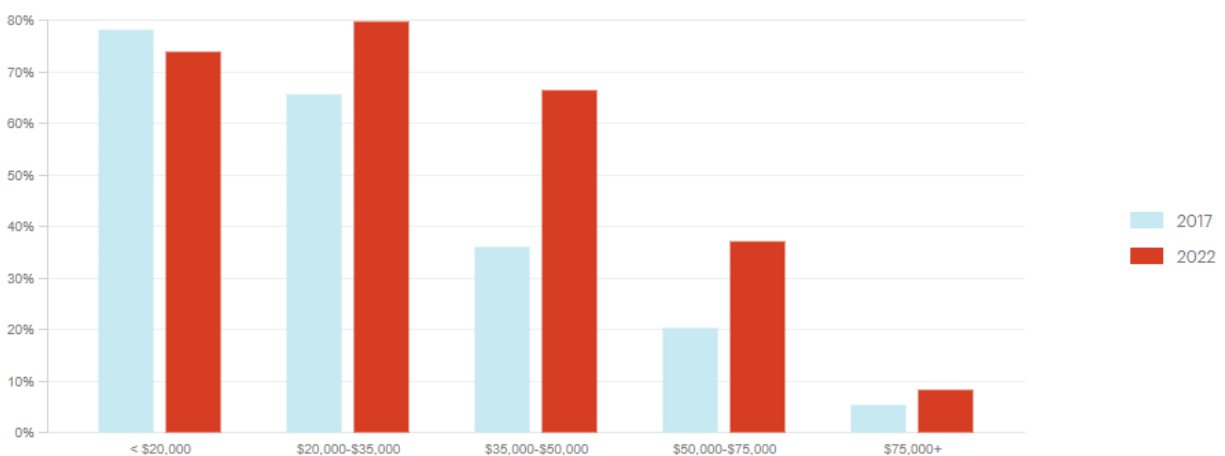


Figure 4: Share of Renter Households Moderately or Severely Cost Burdened by Race/Ethnicity

Source: Census 2008-2012 - 2018-2022 Data Contains: Rochester, MN

The incidence of housing cost burdens is generally highest for unassisted renter households with the lowest incomes, a key reason federal housing vouchers and federally funded public housing are targeted primarily toward extremely low-income renters. In developing a local housing strategy, it is important to consider both the incidence of moderate- and severe housing cost burdens among households of different income levels and the absolute number of renter households with these problems within each income category.

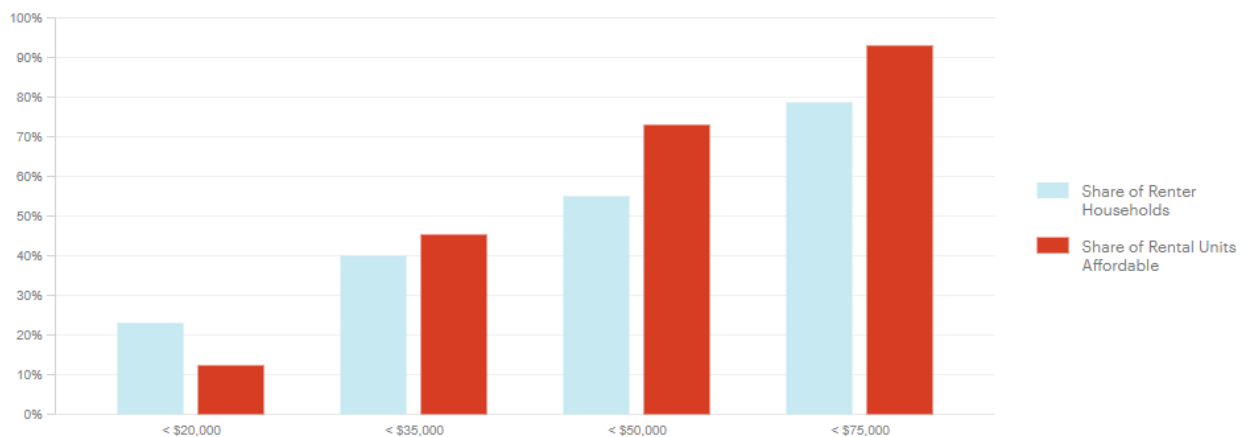
In Rochester, renter households with incomes of \$20,000 - \$35,000 had the highest incidence of cost burden in 2022 (79.6%) with no significant difference in incidents for households earning less than \$20,000 (73.5%) and those earning less than \$50,000 (66%). As shown in the previous visualization, the share of households rent burdened in Rochester increased overall from 2017 to 2022.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

## Distribution of Renter Households and Affordable Rental Units by Income

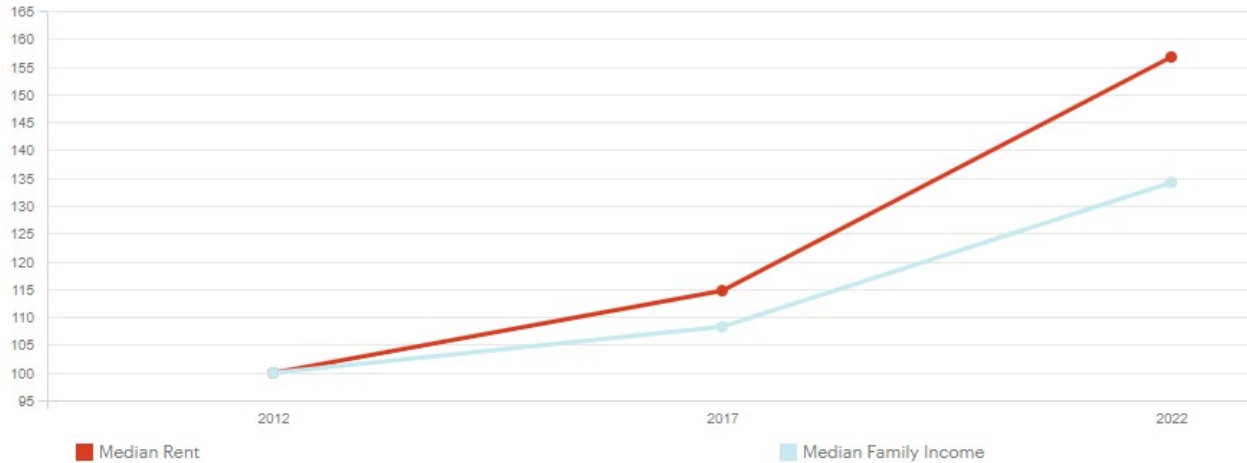
This chart compares the cumulative share of renters below specified income levels to the share of the rental stock affordable to households with these incomes to help in identifying housing supply shortages at different income levels. It is important to note that some of the units identified as affordable to people of a particular income level may in fact be occupied by households with higher incomes, reducing the stock available for lower income households. There are deficits in affordable supply for the lowest income households in nearly all markets, including Rochester.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

## Comparison of Trends in Rent and Income (Indexed) 2012 to 2022

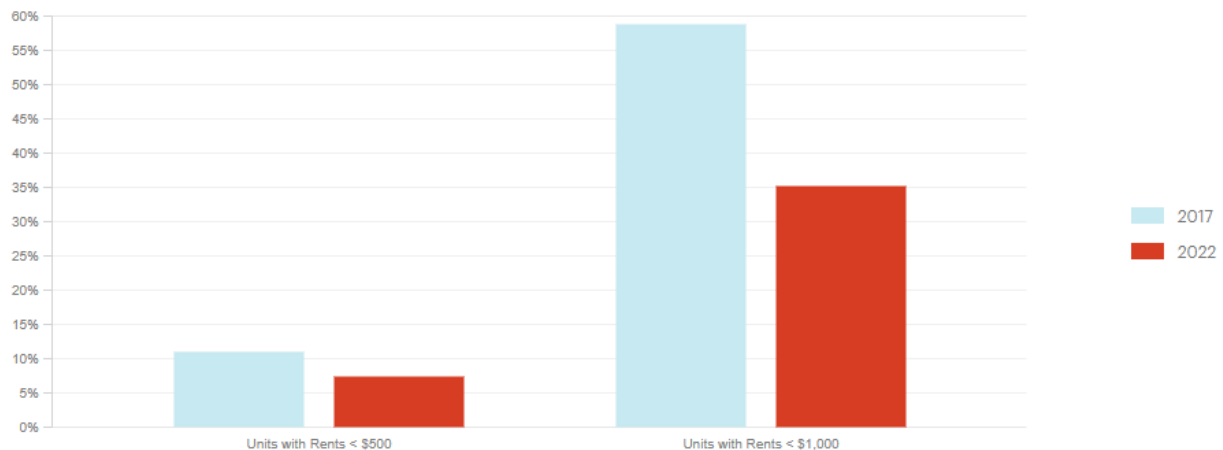
Rents are rising faster than incomes in Rochester and nationally, leading to decreased affordability. The monthly median rent in Rochester rose from \$777 in 2012 to \$1,218 in 2022 (growth of 56.8%). During this same period, the annual median family income in Rochester rose from \$81,036 to \$108,759 (growth of 34.2%).



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

### Change in Stock of Rental Units below \$500 and \$1,000 a Month 2017 to 2022

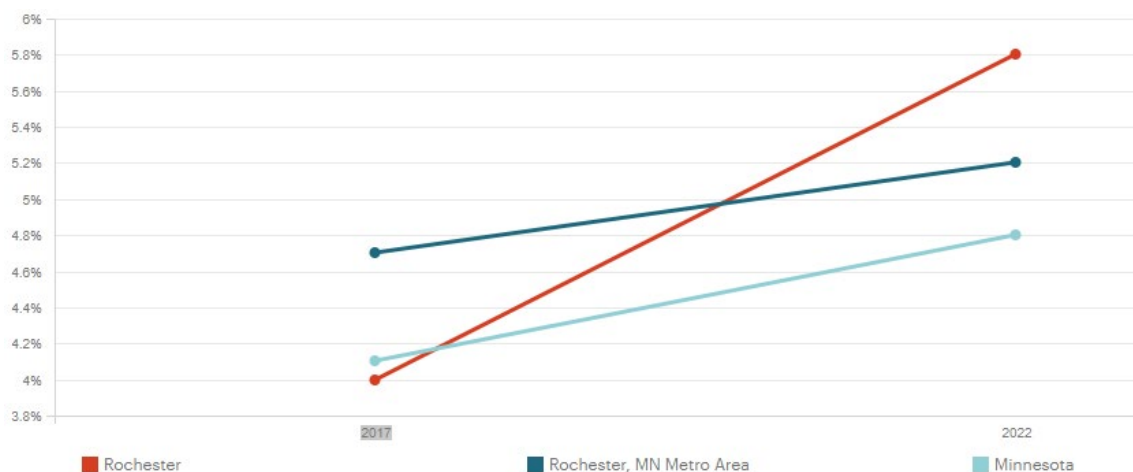
Some localities are experiencing a reduction in the stock of units with low rents as owners renovate housing or simply align rents with a rising market. In Rochester, 7.1% of rental units in 2022 had a monthly rent of \$500 or less, and 35.1% of units rented for \$1,000 or less monthly. This is a smaller share than in 2017, when 58.6% of rented units in Rochester had a gross rent of \$1,000 or less. Note that these figures reflect nominal dollars and have not been adjusted for inflation. Based on affordability standards defining an affordable rent at or below 30% of income, monthly rent levels at \$500 and \$1,000 are affordable to households with annual incomes of \$20,000 and \$40,000, respectively.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

## Change in Rental Vacancy Rates

Since 2017, the vacancy rate in Rochester rose by 1.8 percentage point(s) (the number of vacant rental units increased from 585 to 1,081). As of 2022, the rental unit vacancy rate in Rochester was 5.8%, and has been higher than the state of Minnesota's rate, which was 4.8% in 2022. All else being equal, higher vacancy rates are a sign of a softer housing market, in which there are fewer signs of supply limitations. Dropping rental vacancy rates may indicate increasing pressure on a local jurisdiction's rental housing supply.



Source: Census

2008-2012 - 2018-2022 Data Contains: Rochester, MN

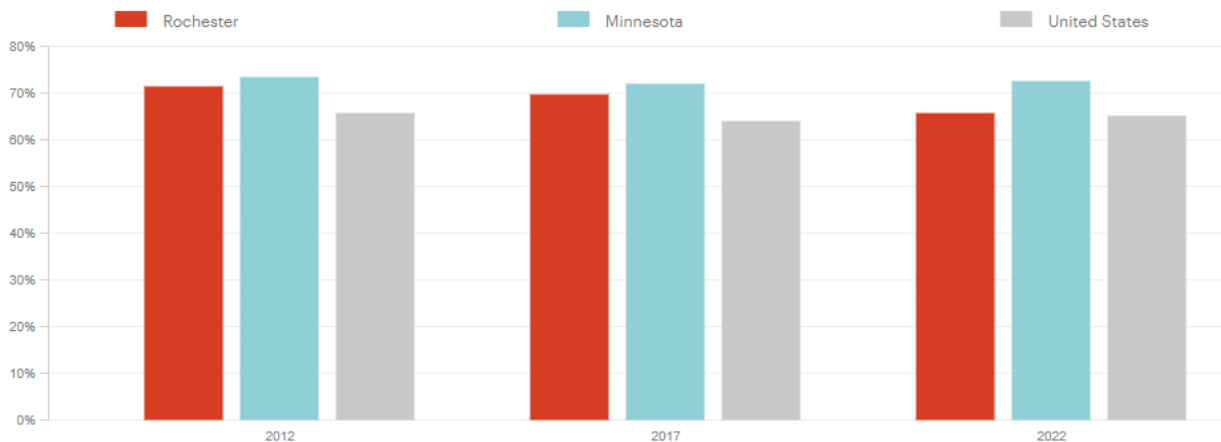
## Homeownership Affordability

An examination of the homeownership rate and affordability of owner-occupied homes is important for developing a strategic approach to homeownership. Localities with homeownership rates that are low relative to the region or state may want to consider policies to encourage homeownership. There are also several policy options to bring homeownership within reach of low- and moderate-income households, such as community land trusts, deed-restricted homeownership, housing counseling, down payment assistance, and shared appreciation mortgages. In addition to helping renters become homeowners, many localities focus on helping existing homeowners stay in their homes through policies including foreclosure prevention and property tax relief. Since the overall supply of homes for sale can affect home prices, localities interested in making homes more affordable also may wish to can also focus on reducing barriers to the creation of new supply of affordable housing.

## Homeownership Rate

The state and national averages provide useful context for understanding a locality's homeownership rate and the change over time in that rate. In 2022, 65.5% of households in Rochester owned their homes. This is lower than the state of Minnesota (72.3%) and

higher than the homeownership rate in the United States (64.8%). Between 2017 and 2022, the homeownership rate in Rochester fell by 3.9 percentage point(s) (the number of homeowners increased from 31,260 to 32,880).



Source: Census

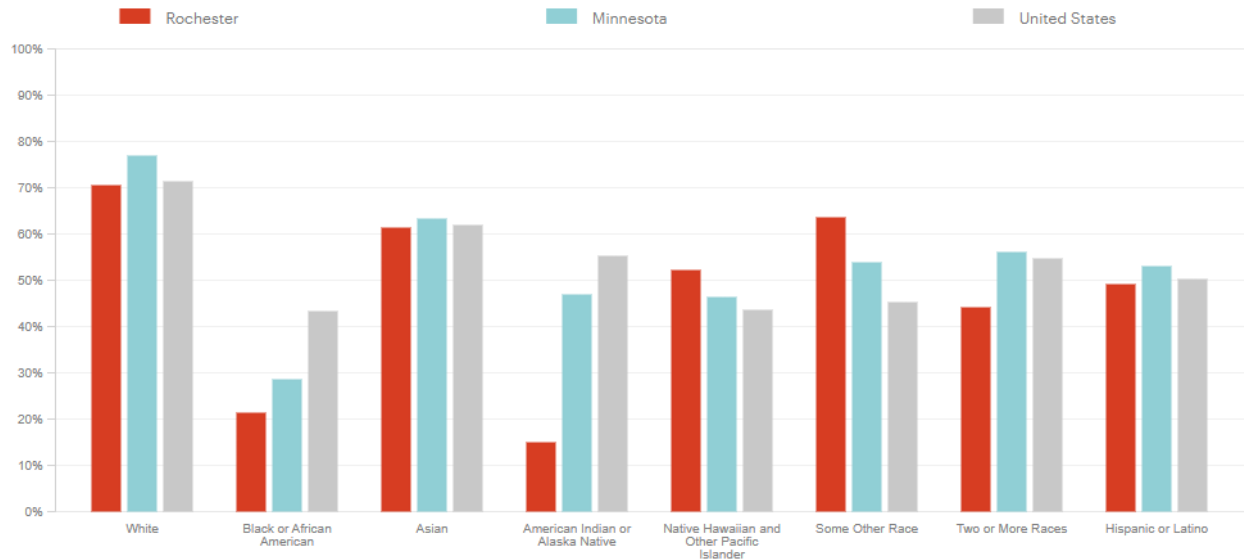
2008-2012 - 2018-2022 Data Contains: Rochester, MN

### Homeownership Rate by Race/Ethnicity

Across the U.S. there are significant variations in homeownership rates by race and ethnicity. Localities can use these charts to compare homeownership rates by race or ethnicity in their jurisdiction to those of the state and the U.S. as a whole, and to understand how trends and disparities in homeownership rates have changed within their jurisdiction over time.

In Rochester, as of 2022, the homeownership rate for white householders was 70.1%, compared to 76.8% in Minnesota and 71.1% in the United States as a whole. During this same time period, the Rochester homeownership rate for Black or African American householders was 21.1%, lower than Minnesota's 28.4%, and lower than the United States rate of 43.1%. See the chart for the homeownership rates of other racial and ethnic

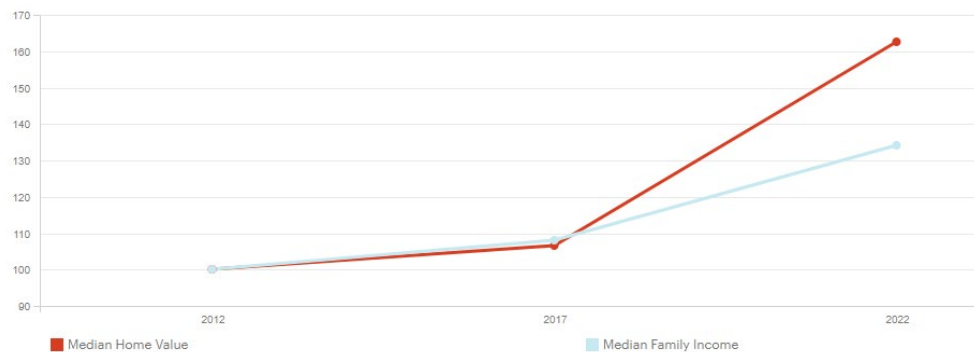
groups.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

### Comparison of Trends in Median Home Values and Median Family Incomes

Median home values in Rochester have risen \$103,500 in nominal dollars since 2012. As of 2022, a median home value in Rochester was \$268,800 (increase of 62.6% since 2012). During the period between 2012 and 2022, median family income in Rochester has grown from \$81,036 (2012) to \$108,759 (2022), a growth of 34.2%.



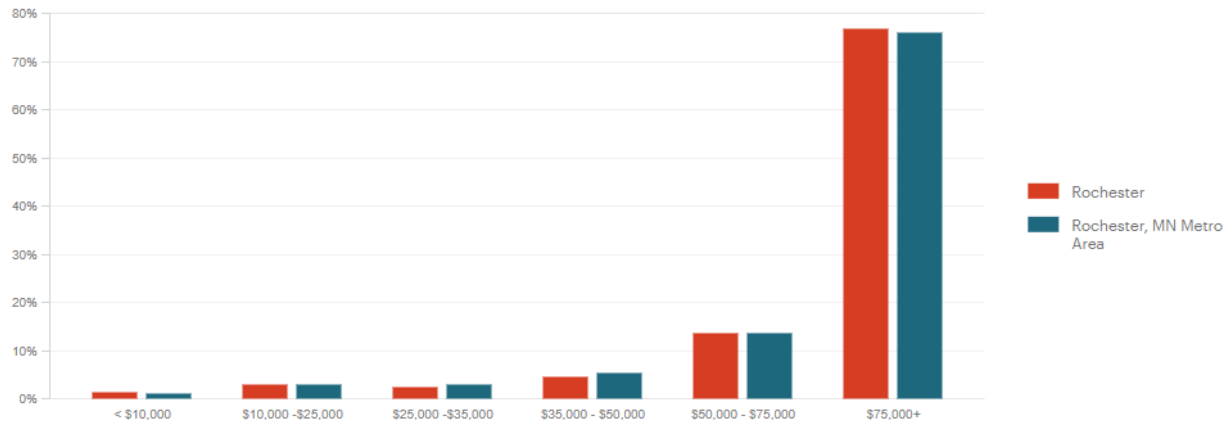
Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

### Distribution of Homeowners with Mortgages by Income

This chart indicates the relative incomes of homeowners with mortgages in Rochester compared to those in Rochester, MN Metro Area. When the incomes of homeowners with mortgages are lower in the jurisdiction than in the broader region, homes in the jurisdiction are generally more affordable than in the region.



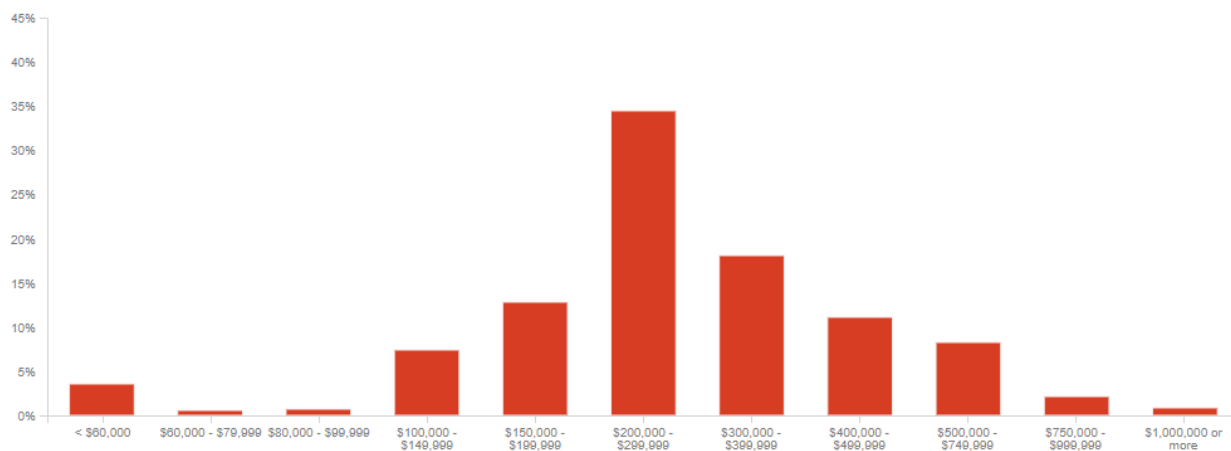
In Rochester, as of 2022, 3.8% of homeowners with a mortgage earned under \$25,000 annually, compared with 3.5% of homeowners in Rochester, MN Metro Area. Homeowners with mortgages earning over \$75,000 annually make up 76.5% of this share in Rochester, greater than 75.6% for Rochester, MN Metro Area.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

### Distribution of Reported Home Values 2022

This chart shows the distribution of reported home values of owner-occupied homes in Rochester. The area median income (AMI) for Rochester was \$112,900 in 2022. Using a general rule of thumb, households at 60%, 80%, 100% and 120% of the AMI in Rochester could afford homes of about \$200,700, \$267,600, \$338,700, and \$401,400, respectively.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

## Change in Median Home Value by Neighborhood

Recent trends in home prices can help you design and target your programs and policies to those neighborhoods subjected to the greatest upward (or downward) pressure on housing prices. The map below illustrates the change in median home prices in Rochester between 2017 and 2022 by census tract. Use the map to determine how home prices within each census tract in Rochester compared to the 52.6% overall change.

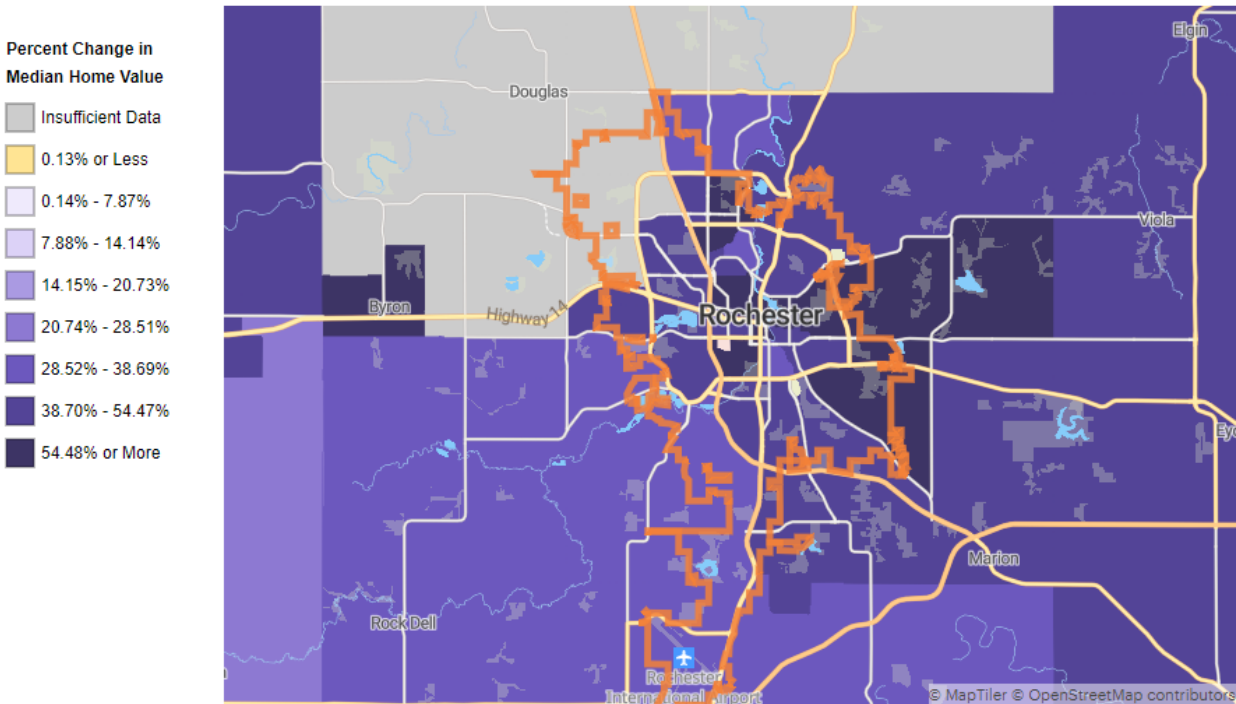
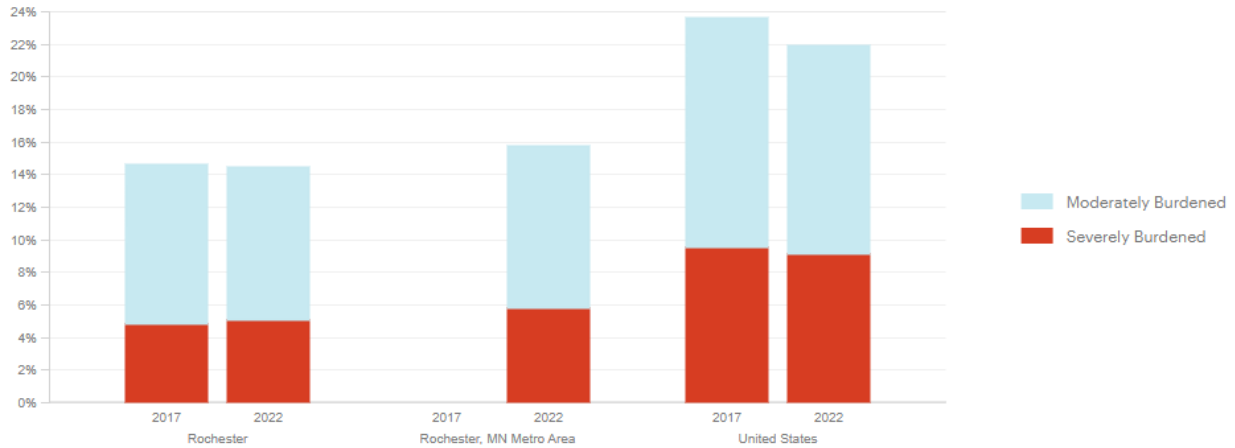


Figure 5: Change in Median Home Value by Neighborhood

Source: Census 2008-2012 - 2018-2022 Data Contains: Rochester, MN

## Share of Owner Households Moderately or Severely Cost Burdened

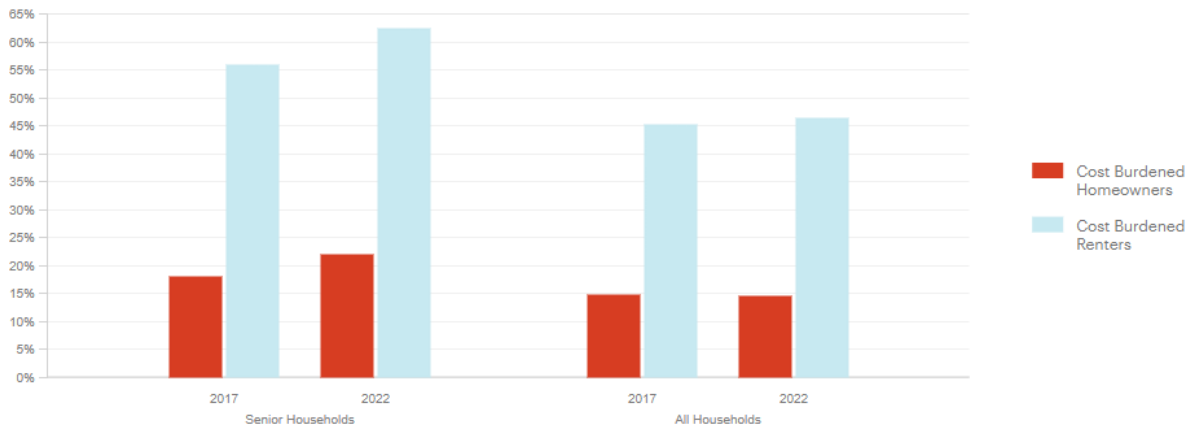
In Rochester, the share of owner households that were moderately or severely cost burdened decreased from 14.6% in 2017 to 14.4% in 2022. This share is lower than the Rochester, MN Metro Area's 15.8%, and lower than the United States as a whole, where 21.9% of homeowners were cost burdened in 2022.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

### Cost Burdened Senior Households 2017 to 2022

This chart examines whether cost burdens are greater among senior households than the general population in the jurisdiction. In Rochester, as of 2022, a larger share of senior renter households are burdened (62.2%) than are renter households overall (46.2%). For senior homeowners, the same relationship exists. To determine whether the trends in cost-burden for senior households are similar to or different from the trends for all households, compare the left set of bars to the right set of bars.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

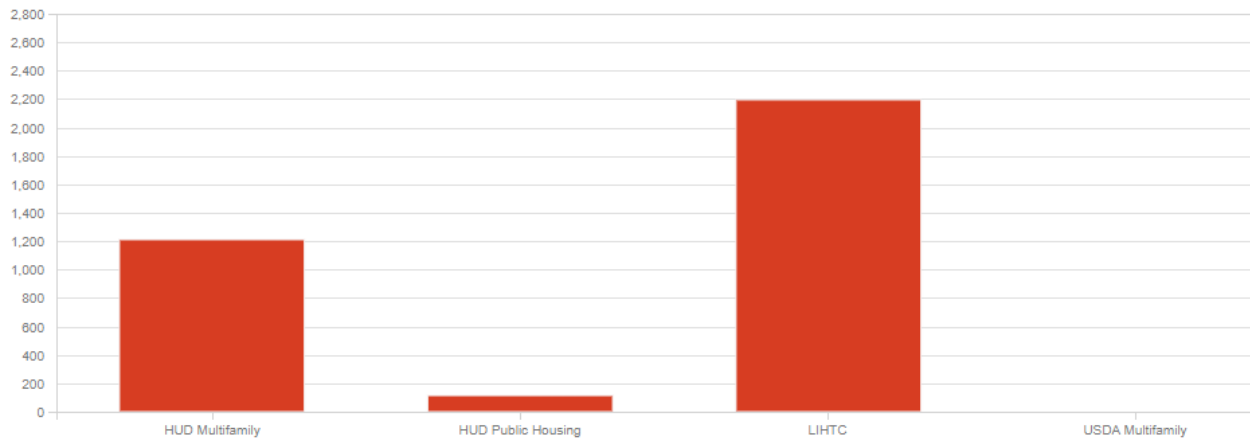
### Dedicated Affordable Housing

There are two main types of affordable housing: (a) dedicated affordable housing that comes with binding rent and/or income restrictions to ensure it is occupied by low-income households and (b) market affordable housing – units that rent or sell at an affordable price but have no binding restrictions. This section focuses on the first type, providing

information about the amount and location of dedicated affordable housing in the jurisdiction. Surveying the landscape of existing affordable housing in the jurisdiction can help clarify gaps left by federal subsidies and identify the extent to which existing dedicated affordable housing units may be at risk of loss from the subsidized inventory as federal regulatory agreements expire.

## Federally Subsidized Housing Units

In 2021, the inventory of federally subsidized rental housing in Rochester included 3,520 units and comprised 20.3% of Rochester’s total rental stock. Of these subsidized units, 109 are HUD public housing units. Remaining units are privately owned and receive federal subsidies. In addition to the federally subsidized rental programs tracked here, some jurisdictions also have rental units that are subsidized by state or local sources. Not included in this inventory are approximately 445 Housing Choice Vouchers, the majority of which are tenant-based (assigned to individuals who may use them in rental housing of their choosing) and a portion of which may be project-based (tied to specific units). Tenant-based vouchers may be used in Low Income Housing Tax Credit properties or in other privately-owned units that meet voucher program criteria.



Source: [HUD Multifamily DB](#), [HUD’s Picture of Subsidized Households](#), [LIHTC](#), [USDA](#)

## F. Segregation Analysis

### Dissimilarity Index

The dissimilarity index compares the residential locations of two groups within a jurisdiction to measure the degree to which group members are segregated or geographically separate from one another.

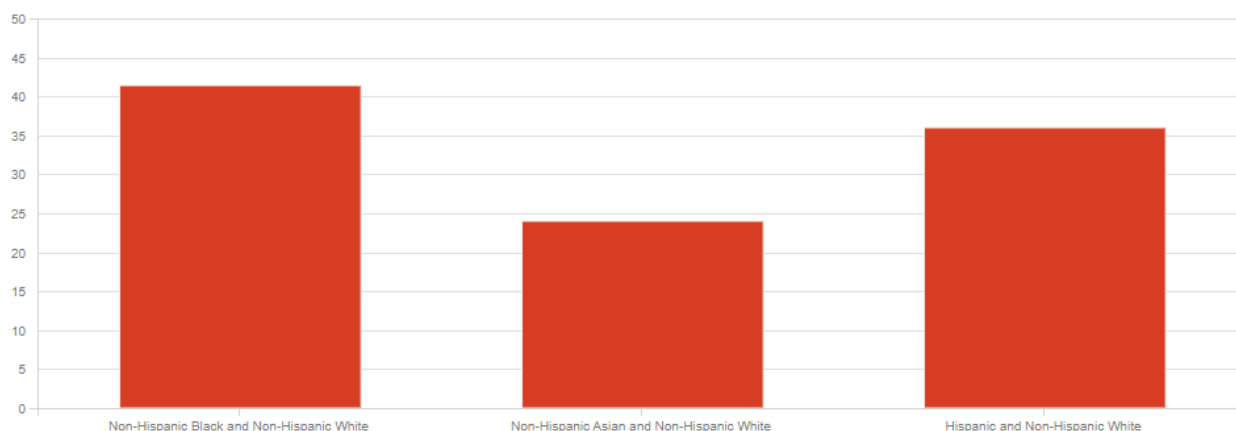
The index value is presented as a number between 0 and 100, which represents the share of one group that would need to move to new neighborhoods (approximated as census tracts) in order to have the same distribution across neighborhoods as the comparison

group. For example, a dissimilarity index of 0 for black households relative to white households in a jurisdiction would indicate total integration, with both groups living in the same proportions across all jurisdiction neighborhoods. Alternatively, an index score of 100 would indicate complete residential segregation. In this scenario, 100% of households in one or the other group would need to move to new neighborhoods to achieve a balanced distribution across the jurisdiction.

Index values between 0 and 30 are generally assumed to indicate more integrated communities and low levels of segregation, while values between 31 and 60 indicate moderate segregation and values between 61 and 100 indicate high levels of segregation.

The index is calculated at the Core-Based Statistical Area (CBSA) level (also referred to informally as “metro area”), when white residents and Black, Latino, and/or Asian residents represent at least 5% of total CBSA population.

In Rochester the dissimilarity index value was 41.4 for Non-Hispanic Black and Non-Hispanic White residents, 24 for Non-Hispanic Asian and Non-Hispanic White residents, and 36 for Hispanic and Non-Hispanic White residents.



Source: Census  
2008-2012 - 2018-2022 Data Contains: Rochester, MN

### III. ACCESS TO OPPORTUNITY

Access to opportunities in Rochester, Minnesota, is shaped by several key factors including economic growth, educational resources, and community support. This section will discuss access to education, affordable transportation, employment opportunities, environmental health, housing quality, exposure to lead-based paint, and broadband access. Measuring these opportunity factors provides insight into communities’ quality of life and informs fair housing needs for protected classes.

Access to opportunity measures poverty, local conditions, access to jobs, education, healthy and safe living conditions, public services, and amenities, which are critical factors to consider when measuring fair housing choice. This section provides an overview of federal and local data sources and stakeholder and community feedback to examine access to opportunity for Rochester’s protected classes.

**Overview of HUD-Defined Opportunity Factors**

HUD developed opportunity indicators to identify communities with disparate access to opportunity and identify protected classes experiencing disparate impacts of unfair housing choice. The opportunity index includes scores for: poverty, education, employment, transportation, and environmental health. The following sections provide definitions of each opportunity indicator as defined in HUD’s AFFH-T Data Documentation and describe local findings.

**Low Poverty Index**

The Low Poverty Index measures poverty in a community, a higher score represents a more prosperous community with lower poverty levels. This indicator measures family poverty rates and the receipt of public assistance, such as cash welfare. Rochester, Minnesota, typically has a relatively low poverty rate compared to national averages, reflecting the city's strong economy and robust healthcare sector. The presence of the Mayo Clinic and other healthcare institutions provides numerous high-paying jobs, which contributes to overall economic stability and reduces poverty rates. The table below shows Poverty Index scores across race and ethnicity. Values for each range from 0 to 100 with 0 representing a low score and less access to opportunity and 100 representing a high score and more access to opportunity.

LOW POVERTY INDEX		
	(Rochester, MN CDBG) Jurisdiction	(Rochester, MN) Region
<b>Total Population</b>		
White, Non-Hispanic	68.72	70.37
Black, Non-Hispanic	53.48	54.81
Hispanic	57.94	61.49
Asian or Pacific Islander, Non-Hispanic	67.12	68.79
Native American, Non-Hispanic	62.24	65.41
<b>Population below federal poverty line</b>		
White, Non-Hispanic	58.60	62.06
Black, Non-Hispanic	45.69	46.80
Hispanic	41.73	49.77
Asian or Pacific Islander, Non-Hispanic	61.74	65.22
Native American, Non-Hispanic	52.65	57.29

**Table 18: Low Poverty Index: Source: HUD AFFH Mapping Tool, <https://egis.hud.gov/affht/>**

**A. School Proficiency Index**

The School Proficiency Index measures the quality of the school systems in a community. The higher the score, the higher the school system met HUD’s definition of proficiency. This indicator uses school-level data on the performance of 4th-grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower-performing elementary schools.

School proficiency in Rochester, Minnesota, reflects the city’s strong educational infrastructure and commitment to student achievement. Rochester benefits from several educational institutions that offer a range of programs, from vocational training to advanced degrees. There are numerous opportunities for adult education and professional development through local colleges, online courses, and community workshops. These institutions provide pathways to various careers and contribute to workforce development. Values for each range from 0 to 100 with 0 representing a low score and less access to opportunity and 100 representing a high score and more access to opportunity.

<b>SCHOOL PROFICIENCY INDEX</b>		
	<b>(Rochester, MN CDBG) Jurisdiction</b>	<b>(Rochester, MN) Region</b>
<b>Total Population</b>		
White, Non-Hispanic	53.92	62.07
Black, Non-Hispanic	49.01	49.95
Hispanic	51.35	55.67
Asian or Pacific Islander, Non-Hispanic	54.18	54.74
Native American, Non-Hispanic	51.91	57.47
<b>Population below federal poverty line</b>		
White, Non-Hispanic	50.84	60.11
Black, Non-Hispanic	44.60	45.66
Hispanic	46.03	56.91
Asian or Pacific Islander, Non-Hispanic	61.37	58.92
Native American, Non-Hispanic	63.42	53.39

**Table 19: School Proficiency Index: Source: HUD AFFH Mapping Tool, <https://egis.hud.gov/affht/>**

**B. Labor Market Engagement Index**

The Labor Market Engagement Index measures a community’s level of employment, labor force participation, and educational attainment in a community. The higher the score, the higher the opportunity for engagement in the labor market. Healthcare jobs are a major

driver of employment in the region. Opportunities in tech and innovation are growing, with roles in IT, engineering, and emerging tech startups contributing to the local labor market. Various workforce training programs are available to help residents acquire the skills needed for current job market demands. These include vocational training, certifications, and continuing education. The table below shows the Labor Market Engagement Index scores across race and ethnicity. Values for each range from 0 to 100 with 0 representing a low score and less access to opportunity and 100 representing a high score and more access to opportunity.

LABOR MARKET INDEX		
	(Rochester, MN CDBG) Jurisdiction	(Rochester, MN) Region
<b>Total Population</b>		
White, Non-Hispanic	82.12	80.19
Black, Non-Hispanic	73.93	74.11
Hispanic	74.78	75.40
Asian or Pacific Islander, Non-Hispanic	82.98	83.23
Native American, Non-Hispanic	76.69	76.86
<b>Population below federal poverty line</b>		
White, Non-Hispanic	76.38	75.38
Black, Non-Hispanic	67.47	67.35
Hispanic	69.54	71.97
Asian or Pacific Islander, Non-Hispanic	85.62	84.86
Native American, Non-Hispanic	58.48	64.92

**Table 20: Labor Market Index: Source: HUD AFFH Mapping Tool, <https://egis.hud.gov/affht/>**

### C. Transit Index

Rochester, Minnesota, offers a range of transit options designed to support residents' mobility and connectivity throughout the city and surrounding areas. Rochester Public Transit (RPT) operates the city's bus system. It provides various routes covering key areas including downtown, residential neighborhoods, and major destinations like the Mayo Clinic and shopping centers. The bus system is designed to be accessible and affordable, serving a significant portion of the population. Buses are equipped with features to accommodate individuals with disabilities, including low floors and bike racks. Dial-A-Ride service offers demand-response transportation for those who need more flexible options. It's particularly useful for people with disabilities or those living in areas not served by regular bus routes. While Rochester does not have a dedicated commuter rail system, there are bus services and ride-sharing options available for regional travel to nearby cities. Rochester's transit system connects with regional and intercity bus services, allowing residents to travel to neighboring cities and states. This includes services to places like Minneapolis, St. Paul, and other parts of Minnesota.



The Transit Index measures the utilization of public transportation in a community. Transit access describes the accessibility of amenities using public transit. The higher the score, the more likely residents in that community utilize public transit. This indicator estimates transit trips taken by families that: are a 3-person single-parent family with income at 50 percent of the median income for renters for the region (i.e., the Core-Based Statistical Area (CBSA). The table below shows the Transit Index scores across race and ethnicity. Values for each range from 0 to 100 with 0 representing a low score and less access to opportunity and 100 representing a high score and more access to opportunity.

TRANSIT INDEX		
	(Rochester, MN CDBG) Jurisdiction	(Rochester, MN Region) Region
<b>Total Population</b>		
White, Non-Hispanic	34.87	26.85
Black, Non-Hispanic	35.83	34.79
Hispanic	36.45	31.20
Asian or Pacific Islander, Non-Hispanic	34.94	33.44
Native American, Non-Hispanic	35.70	30.06
<b>Population below federal poverty line</b>		
White, Non-Hispanic	36.12	27.44
Black, Non-Hispanic	35.42	34.61
Hispanic	42.09	33.64
Asian or Pacific Islander, Non-Hispanic	34.82	32.53
Native American, Non-Hispanic	19.41	17.84

**Table 21: Transit Index: Source: HUD AFFH Mapping Tool, <https://egis.hud.gov/affht/>**

#### D. Low Transportation Cost Index

The Low Transportation Cost Index estimates transportation costs for families that are a 3-person single-parent family with income at 50% of the median income for renters for the region. Public transit fares are generally affordable, with options for reduced fares for seniors, students, and individuals with disabilities. Various pass options are available, including monthly and annual passes, which offer cost savings for regular riders. The table below shows the Low Transportation Cost Index scores across race and ethnicity. Values for each range from 0 to 100 with 0 representing a low score and less access to opportunity and 100 representing a high score and more access to opportunity.

LOW TRANSPORTATION COST INDEX		
	(Rochester, MN CDBG) Jurisdiction	(Rochester, MN Region) Region
<b>Total Population</b>		
White, Non-Hispanic	73.90	62.07

Black, Non-Hispanic	77.03	75.44
Hispanic	75.51	68.51
Asian or Pacific Islander, Non-Hispanic	75.02	72.39
Native American, Non-Hispanic	74.16	66.77
<b>Population below federal poverty line</b>		
White, Non-Hispanic	77.54	64.59
Black, Non-Hispanic	75.49	74.06
Hispanic	80.18	70.20
Asian or Pacific Islander, Non-Hispanic	76.04	71.59
Native American, Non-Hispanic	79.10	68.87

**Table 22: Low Transportation Cost Index: Source: HUD AFFH Mapping Tool, <https://egis.hud.gov/affht/>**

### E. Jobs Proximity Index

The Jobs Proximity Index measures the distance of job locations from a community. Greater weight is given to larger employment centers. The competition for a job location measured by labor supply is inversely weighted. Job proximity in Rochester, Minnesota, plays a significant role in shaping the city's employment landscape and influencing the daily lives of its residents. Many residents live within a reasonable distance of their workplaces, particularly those employed at major institutions like Mayo Clinic. This proximity helps reduce commute times and supports a better work-life balance. The Rochester Area Economic Development, Inc. (RAEDI) and city planning department can provide more in-depth insights on job proximity. Values for each range from 0 to 100 with 0 representing a low score and less access to opportunity and 100 representing a high score and more access to opportunity.

<b>JOBS PROXIMITY INDEX</b>		
	<b>(Rochester, MN CDBG) Jurisdiction</b>	<b>(Rochester, MN) Region</b>
<b>Total Population</b>		
White, Non-Hispanic	67.31	45.85
Black, Non-Hispanic	67.44	65.37
Hispanic	71.46	58.53
Asian or Pacific Islander, Non-Hispanic	65.15	61.69
Native American, Non-Hispanic	74.10	58.70
<b>Population below federal poverty line</b>		
White, Non-Hispanic	69.14	46.49
Black, Non-Hispanic	61.53	59.59
Hispanic	78.18	59.70
Asian or Pacific Islander, Non-Hispanic	73.43	66.57
Native American, Non-Hispanic	69.03	50.63

**Table 23: Jobs Proximity Index: Source: HUD AFFH Mapping Tool, <https://egis.hud.gov/affht/>**

## F. Environmental Health Index

The environmental index for Rochester, Minnesota, reflects the city's efforts and conditions related to environmental quality, sustainability, and natural resource management. Rochester generally has good air quality, with levels of common pollutants such as ozone, particulate matter (PM2.5 and PM10), and nitrogen dioxide typically being within acceptable limits. The city's air quality is monitored by local and state agencies, with data available through tools like the Minnesota Pollution Control Agency (MPCA). Being a major healthcare and business hub, any industrial activities in the area are regulated to minimize air pollution. Rochester's water supply is sourced from groundwater aquifers and undergoes rigorous treatment to meet state and federal standards. The city has a comprehensive wastewater treatment system that processes sewage and industrial waste, protecting local water bodies from contamination. Rochester has active recycling programs to manage waste and reduce landfill use. Residents are encouraged to recycle paper, plastics, metals, and glass through curbside collection and drop-off centers. The city promotes composting of organic waste through community programs and educational initiatives.

The environmental health index measures the environmental quality of a community. The higher the score, the less exposure a community has to harmful environmental toxins. The index measures the potential for exposure to harmful toxins within a community, as determined by the Environmental Protection Agency's Toxic Release Inventory by volume and toxicity. The table below shows the Environmental Health Index scores across race and ethnicity. Values for each range from 0 to 100 with 0 representing a low score and less access to opportunity and 100 representing a high score and more access to opportunity.

ENVIRONMENTAL HEALTH INDEX		
	(Rochester, MN CDBG) Jurisdiction	(Rochester, MN) Region
<b>Total Population</b>		
White, Non-Hispanic	86.08	89.38
Black, Non-Hispanic	85.27	85.66
Hispanic	85.54	87.43
Asian or Pacific Islander, Non-Hispanic	85.94	86.45
Native American, Non-Hispanic	85.47	87.67
<b>Population below federal poverty line</b>		
White, Non-Hispanic	84.92	88.99
Black, Non-Hispanic	85.33	85.68
Hispanic	84.04	87.29
Asian or Pacific Islander, Non-Hispanic	86.12	87.10
Native American, Non-Hispanic	79.60	85.47

**Table 24: Environmental Health Index: Source: HUD AFFH Mapping Tool, <https://egis.hud.gov/affht/>**

#### IV. LOCAL OPPORTUNITY FACTORS

In addition to the Access to Opportunity Indices provided by HUD. Data provided by the ACS and HUD Comprehensive Housing Affordability Strategy (CHAS) provides insight into the conditions of Communities and Housing. The following analysis examines employment, education, broadband access, transportation, environmental justice, and disproportionate housing.

##### A. Unemployment

Unemployment in Rochester, Minnesota, generally reflects the city’s robust economic environment, with fluctuations typically influenced by broader economic trends and local factors. The City of Rochester unemployment rate remained relatively consistent from 2019 to 2023 aside from the spike in 2020 due to the COVID-19 pandemic. Economic expansions and contractions affect unemployment rates. During economic downturns, unemployment may rise, while periods of economic growth generally see lower unemployment rates. Rochester's unemployment rate tends to be lower than national averages, reflecting a strong local job market.

The tables below show employment status over time and by gender and race/ethnicity. Employment status is assessed for the population over 16 years and over. Persons in the age group of 16 to 64 years who are seeking employment or currently working are participating in the labor force. An individual who is not actively seeking a job is not considered to be participating in the labor force and thus is not part of the unemployment calculation. Historically, Rochester has experienced relatively low unemployment rates due to the presence of major employers like Mayo Clinic and a diversified local economy.

UNEMPLOYMENT RATES IN ROCHESTER, MN					
YEAR	2019	2020	2021	2022	2023
Unemployment Rate	2.8%	5.4%	3.1%	2.2%	2.3%

**Table 25: Unemployment** Source: U.S. Bureau of Labor Statistics, <https://data.bls.gov/pdq/SurveyOutputServlet>

The rate of unemployment is higher for males when compared to the female population. The data shows significant disparities between racial and ethnic groups. The Black community experience higher rates of unemployment than other racial and ethnic communities.

2022 UNEMPLOYMENT RATE	
<b>SEX</b>	
Male	4.60%
Female	2.60%
<b>RACE AND HISPANIC OR LATINO ORIGIN</b>	
White alone	3.00%
Black or African American alone	10.70%
American Indian and Alaska Native alone	0.00%

<i>Asian alone</i>	2.70%
<i>Native Hawaiian and Other Pacific Islander alone</i>	0.00%
<i>Some other race alone</i>	2.40%
<i>Two or more races</i>	7.90%
<i>Hispanic or Latino origin (of any race)</i>	4.90%
<i>White alone, not Hispanic or Latino</i>	2.80%

**Table 26: Unemployment Rate Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

### B. Occupation by Industry

In addition to employment patterns, a closer look at where residents work helps to assess overall access to economic opportunity. Quality jobs provide access to sufficient household income and improve housing choice. Educational Services, Healthcare, and social assistance comprise the largest share of jobs in the city at 48.10% of the employed population over 16.

JOB INDUSTRY		
Industry Sector	Estimated Number of Employees	Percent
<b>Civilian employed population 16 years and over</b>	<b>65,026</b>	<b>100%</b>
Agriculture, forestry, fishing and hunting, and mining	352	0.50%
Construction	2,765	4.30%
Manufacturing	4,866	7.50%
Wholesale trade	935	1.40%
Retail trade	5,786	8.90%
Transportation and warehousing, and utilities	2,004	3.10%
Information	964	1.50%
Finance and insurance, and real estate and rental and leasing	2,040	3.10%
Professional, scientific, and management, and administrative and waste management services	5,492	8.40%
Educational services, and health care and social assistance	31,279	48.10%
Arts, entertainment, and recreation, and accommodation and food services	4,573	7.00%
Other services (except public administration)	2,367	3.60%
Public administration	1,603	2.50%

**Table 27: Occupation by Industry Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

### C. Minimum Wage

The minimum wage in Rochester, Minnesota, aligns with state-level standards set by Minnesota law. Minnesota’s minimum wage rates are set by state law and apply statewide, including Rochester. A living wage is an hourly rate that an individual in a household must earn to support himself or herself and their family. As of 2024, the minimum wage rates are \$11.00 per hour for employers with annual gross sales of \$500,000.00 or more and \$8.63 per hour for employers with less than \$500,000.00 in gross annual sales.

According to MIT, the living wage shown is the hourly rate that an individual in a household must earn to support his or herself and their family. The assumption is the sole provider is working full-time (2080 hours per year). The federal minimum wage is currently set at \$7.25 per hour. However, in Minnesota, the state minimum wage rates supersede the federal rate where they are higher. Based on MIT’s Living Wage Calculator, Rochester minimum wage is \$9.65 below the \$20.50 living wage for one adult with no children and \$11.85 below the living wage for two working adults with one child, within the Rochester city limits. Considering these large gaps between minimum and living wages, households with adults earning minimum wage would need additional assistance in securing housing in Rochester.

1 ADULT				
	0 Children	1 Child	2 Children	3 Children
Living Wage	\$20.50	\$40.90	\$54.62	\$71.08
Poverty Wage	\$7.24	\$9.83	\$12.41	\$15.00
Minimum Wage	\$10.85	\$10.85	\$10.85	\$10.85

**Table 28: Living Wage- 1 Adult Source: MIT Living Wage Calculator, [Living Wage Calculator - Living Wage Calculation for Rochester, MN \(mit.edu\)](#)**

2 ADULTS (1 WORKING)				
	0 Children	1 Child	2 Children	3 Children
Living Wage	\$29.59	\$35.52	\$40.38	\$43.21
Poverty Wage	\$9.83	\$12.41	\$15.00	\$17.59
Minimum Wage	\$10.85	\$10.85	\$10.85	\$10.85

**Table 29: Living Wage-2 Adults 1 Working Source: MIT Living Wage Calculator, [Living Wage Calculator - Living Wage Calculation for Rochester, MN \(mit.edu\)](#)**

2 ADULTS (BOTH WORKING)				
	0 Children	1 Child	2 Children	3 Children
Living Wage	\$14.80	\$22.70	\$29.56	\$34.78
Poverty Wage	\$4.91	\$6.21	\$7.50	\$8.79
Minimum Wage	\$10.85	\$10.85	\$10.85	\$10.85

**Table 30: Living Wage-2 Adults Working Source: MIT Living Wage Calculator, [Living Wage Calculator - Living Wage Calculation for Rochester, MN \(mit.edu\)](#)**

### Means of Transportation to Work

Means of transportation refer to the various modes and systems people use to move from one location to another. Understanding transportation options is important for assessing accessibility, commuting patterns, and overall mobility within a region. Many residents use personal vehicles for commuting and travel, given the city’s layout and the convenience of having a car for various activities. Services like Uber and Lyft operate in Rochester, providing flexible transportation options for residents and visitors. Rochester has a growing network of bike lanes and multi-use trails that connect various parts of the city, including parks and business districts. These paths support cycling as a mode of transportation and recreation. The city’s bus system provides several routes connecting key areas such as downtown, residential neighborhoods, and major employment centers. The buses are designed to be accessible and serve a wide range of destinations.

Rochester generally has shorter average commute times compared to larger metropolitan areas, thanks to its manageable city size and effective transportation options. The city’s layout and parking availability impact commute times and ease of access. Areas with high job concentrations, such as downtown, may have more traffic and parking considerations. According to the 2022 5-Yr American Community Survey, an estimated 57,112 workers commute to work daily. 74.30% commuted by car, truck, or van, 13.59% carpooled, 5.18% utilized public transportation, and 6.93% did not identify their means of transportation. Workers had a mean travel time to work of approximately 17.1 minutes.

<b>MEANS OF TRANSPORTATION TO WORK</b>				
	<b>Total</b>	<b>Car, truck, or van -- drove alone</b>	<b>Car, truck, or van -- carpooled</b>	<b>Public transportation (excluding taxicab)</b>
<b>Workers 16 years and over in households</b>	<b>57,112</b>	<b>42,432</b>	<b>7,760</b>	<b>2,958</b>
<b>TIME OF DEPARTURE TO GO TO WORK</b>				
12:00 a.m. to 4:59 a.m.	2.90%	2.90%	4.10%	1.20%
5:00 a.m. to 5:29 a.m.	2.40%	2.50%	2.20%	0.80%
5:30 a.m. to 5:59 a.m.	4.60%	4.90%	4.80%	2.10%
6:00 a.m. to 6:29 a.m.	11.00%	10.90%	9.80%	15.80%
6:30 a.m. to 6:59 a.m.	12.30%	12.00%	13.20%	13.50%
7:00 a.m. to 7:29 a.m.	16.80%	16.60%	18.10%	24.30%
7:30 a.m. to 7:59 a.m.	14.40%	14.40%	12.80%	19.40%
8:00 a.m. to 8:29 a.m.	8.50%	9.10%	5.30%	6.50%
8:30 a.m. to 8:59 a.m.	4.60%	4.40%	4.70%	4.40%
9:00 a.m. to 11:59 p.m.	22.60%	22.40%	25.10%	12.00%
<b>TRAVEL TIME TO WORK</b>				
Less than 10 minutes	18.10%	19.70%	10.50%	2.70%
10 to 14 minutes	27.30%	29.30%	28.00%	9.80%
15 to 19 minutes	27.50%	28.50%	26.60%	22.50%
20 to 24 minutes	11.80%	10.70%	15.60%	21.20%



25 to 29 minutes	3.20%	2.50%	3.30%	10.50%
30 to 34 minutes	4.40%	2.70%	3.60%	20.00%
35 to 44 minutes	1.40%	0.80%	2.10%	7.50%
45 to 59 minutes	2.90%	2.60%	4.70%	3.70%
60 or more minutes	3.30%	3.10%	5.40%	2.00%
<b>Mean travel time to work (minutes)</b>	<b>17.1</b>	<b>16.3</b>	<b>19.4</b>	<b>23.9</b>

**Table 31: Means of Transportation: Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

#### D. Educational Attainment

Educational attainment is a key factor in future wages and economic opportunities. Rochester, Minnesota, focuses on providing quality education and its role as a hub for academic and professional development. There is a growing focus on science, technology, engineering, and mathematics (STEM) education to prepare students for careers in high-demand fields. A high percentage of Rochester residents have completed high school or obtained an equivalent diploma. According to 2022 5yr ACS data, approximately 83% of adults aged 25 and older have graduated from high school. The proportion of residents with a bachelor’s degree or higher is also significant. About 24% of adults aged 25 and older hold a bachelor’s degree or higher. This reflects the city’s strong emphasis on higher education and professional qualifications. The rise of online and hybrid learning options has expanded access to education and allows residents to pursue degrees and certifications more flexibly.

EDUCATIONAL ATTAINMENT				
	Male	Female	Male	Female
	18 to 24 years		25 years and over	
<b>Less than 9th grade</b>	311	524	905	1,522
<b>9th to 12th grade, no diploma</b>	(X)	(X)	1,046	1,201
<b>High school graduate (includes equivalency)</b>	2,243	1,413	8,019	7,334
<b>Some college, no degree</b>	1,652	1,815	6,009	6,354
<b>Associate degree</b>	(X)	(X)	3,966	5,226
<b>Bachelor's degree</b>	980	1,647	10,608	11,629
<b>Graduate or professional degree</b>	(X)	(X)	8,800	9,110
	<b>5,186</b>	<b>5,399</b>	<b>39,353</b>	<b>42,376</b>

**Table 31: Educational Attainment: Source: U.S. Census Bureau 2022 5-yr ACS Estimates, [www.census.gov](http://www.census.gov)**

#### E. Broadband Access

Throughout the United States, there is a significant digital divide; a gap between those who have ready access to the internet and computers and those who do not. The divide is

perpetuated by limitations that are geographical as well as financial, where people cannot afford to pay a monthly service fee for Broadband service (an internet connection fast enough to stream a video). Nationwide, less than half of households living on or under \$20,000 are connected. This lack of internet access in communities supports a deficit in opportunity, education, and other prospects. From a fair housing perspective, ensuring that residential broadband is available to housing projects both within and in the outskirts of the city will support community viability and improve the quality of life for residents.

Broadband access in Rochester, MN, is quite robust, with a range of options available for residents. Most urban and suburban areas in Rochester have access to high-speed broadband options, including fiber-optic and cable services. Broadband access in Rochester, Minnesota, reflects the city's commitment to providing high-speed internet connectivity to its residents and businesses. Rochester has various public Wi-Fi hotspots, including in libraries, parks, and some public buildings. Internet service providers include Spectrum (Charter Communications), CenturyLink, and MetroNet. There are ongoing initiatives to improve broadband access in underserved and low-income areas to address the digital divide and ensure equitable access to high-speed internet. Overall, Rochester is well served by a range of broadband providers, offering high-speed internet to most of its residents.

## **F. Environmental Justice and Health**

Historically environmentally hazardous sites have been disproportionately placed in communities of color, leading to exposure to hazardous materials and a higher risk of health problems. Siting of these dangerous environmental sites corresponds with housing segregation and zoning, placing high intensity uses near areas zoned multifamily or redlined communities. Environmental Justice and fair housing advocacy both seek to address racial segregation, disparities in access to political power, municipal fragmentation, boundary-drawing around resources, disinvestment, and administrative silos.

Rochester, Minnesota, is actively engaged in addressing environmental justice and health issues to ensure a sustainable and equitable environment for its residents. Rochester engages with local communities to address environmental concerns and ensure that all residents have a voice in decision-making processes related to environmental policies and projects. The city develops and implements plans to address environmental justice issues, such as reducing pollution and improving access to green spaces in underserved areas.

Efforts are made to monitor and improve air quality, addressing sources of pollution and ensuring that residents are not exposed to harmful levels of pollutants. Rochester maintains and protects the quality of its water supply, ensuring that it meets safety standards and is free from contaminants. Proper management of waste and recycling programs helps reduce environmental impact and promotes public health. Rochester is working on various sustainability initiatives aimed at reducing greenhouse gas emissions, conserving energy, and promoting sustainable practices. The development and

maintenance of parks and green spaces contribute to the well-being of residents and promote environmental justice by providing accessible recreational areas for all.

Programs and services are available to address public health issues, including preventive care, health education, and support for vulnerable populations. Plans and resources are in place to respond to environmental emergencies, such as extreme weather events or pollution incidents, to protect public health. Regular meetings and forums provide opportunities for residents to voice concerns, provide input, and stay informed about environmental and health issues. Educational efforts aim to raise awareness about environmental justice, health risks, and sustainability practices. The city continues to work on long-term goals and strategies to further enhance environmental justice and health, reflecting a commitment to ongoing improvement and community well-being.

## V. ANALYSIS OF PUBLIC POLICY IMPEDIMENTS

### A. General Plan Land Use Element

Since 1968, the Fair Housing Act has prohibited explicit and implicit discriminatory practices through land use policies, building codes, public services, and other public and private practices, such as conditional or special use permits and real estate broker steering, that limit access to fair housing choice for members of protected classes.<sup>6</sup> Though examples and effects of such practices vary from jurisdiction to jurisdiction, in general, public and private policies should aim to further fair housing goals and proactively address potentially discriminatory practices and trends.

Zoning ordinances and land use regulations are designed to regulate the development and use of property, in some cases, the promotion or preservation of other factors, such as community character, site and location of services, housing typology, and the overall planning process, may deter fair housing choice by limiting housing choice and access to protected classes. The following sections examine critical public and private policy areas and their potential impact on fair housing choice in the City of Rochester, Minnesota.

Land use policies are fundamental to ensuring housing opportunities. Any land use policies that do not promote a variety of housing opportunities can impede housing choice. The General Plan Land Use Element is a long-term land use policy that determines the type, amount, location, and density of land uses within the City in a manner prescribed by State Planning Law. The Land Use Element is the blueprint for the growth and development of the area.

### B. Comprehensive Plan Zoning Designations for Housing

According to the City's Unified Development Code, residential structures should be designed and built to ensure density compatibility with adjacent single-family detached dwellings. The building densities allowable within the range of land use designations provide for a wide range of housing opportunities throughout the city suitable to accommodate households of all incomes.

Land Use Designation	Description	Notes
R-1	Mixed Single Family Residential District	The R-1 district is intended to maintain and promote areas of low residential density where the emphasis is generally on the development of single-family dwellings of various styles.
R-2	Low-Density Small Lot	The R-2 district is intended to maintain and promote areas with a mixture of residential dwelling types that are of an overall low-density or are undergoing a

		conversion from predominantly single-family detached dwellings to duplexes and other attached dwellings.
R-2X	Low-Density Residential Infill	The R-2x district is intended to maintain and promote areas with a mixture of residential dwelling types of overall low- to medium-density near the downtown core
R-3	Medium-Density Residential	The R-3 district is intended to maintain and promote predominantly multifamily residential dwellings.
R-4	High-Density Residential	The R-4 district is intended to maintain and promote multifamily residential dwellings of the highest intensity along with certain supportive commercial and Non-Residential and civic uses of similar intensity.

### C. Home Mortgage Disclosure Act (HMDA)

Homeownership provides a path towards building wealth and gaining long-term housing stability. At the same time, low-income households and protected classes continue to lack access to fair lending opportunities or lag behind in the economic benefits associated with homeownership due to the lingering effects of historic lending practices and policies that systematically excluded members of protected classes from homeownership opportunities. The following section analyzes current lending patterns within the City of Rochester to assess overall access to home lending for protected classes to identify potential barriers to fair housing.

The private sector has traditionally generated the most easily recognized impediments to fair housing choice in regard to discrimination in the sale, rental, or advertising of dwellings; the provision of brokerage services; or in the availability of financing for real estate purchases. The Fair Housing Act and local laws prohibits such practices as the failure to give the same terms, privileges, or information; charging different fees; steering prospective buyers or renters toward a certain area or neighborhood; or using advertising that discourages prospective buyers or renters because of race, color, religion, sex, handicap, familial status, and national origin.

To live up to the requirements of fair housing law, all persons must have the ability to live where they want and can afford, including equal access to homeownership opportunities. Prospective homebuyers need access to mortgage credit, and programs that offer homeownership should be available without discrimination. The task in this Home Mortgage Disclosure Act (HMDA) analysis is to determine the degree to which home loan lenders are meeting the housing needs of Rochester residents.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (F.I.R.R.E.A.) requires any commercial institution that makes five (5) or more home mortgage loans, to

report all home loan activity to the Federal Reserve Bank under the Home Mortgage Disclosure Act (HMDA). The annual HMDA data can be found online at [www.ffiec.gov/hmda/](http://www.ffiec.gov/hmda/). The most recent HMDA Data is that of 2023, which is the data that was used for this analysis. The following tables provide an analysis of the HMDA data in the Rochester Metropolitan Statistical Area (MSA). The MSA includes the following five counties in southeast Minnesota: Dodge, Fillmore, Mower, Olmsted, and Wabasha.

Home lending patterns are established using the latest available data from the Home Mortgage Disclosure Act (HMDA) for the Rochester Metropolitan Statistical Area (MSA) 2013- 2023, with an emphasis on information available from 2023. The MSA is the smallest available geographic unit in the 2023 HMDA dataset, which also provides a broader understanding of the regional lending trends occurring in the Rochester Metro area. The following section analyzes current lending patterns within Rochester and the greater metropolitan area to assess overall access to home lending for protected classes to identify potential barriers to fair housing.

**D. Loan Origination, Type, and Purpose**

The data on mortgage originations in Rochester, Minnesota, over the past three years reveals a significant decline in the number of new mortgages issued. In 2021, there were 11,201 mortgages originated, marking a robust year for home lending. However, in 2022, the number of originated mortgages dropped sharply to 5,777, representing a substantial decrease of 48.42% from the previous year.

The downward trend continued into 2023, with the number of originated mortgages falling further to 4,577, a decrease of 20.77% from 2022. This ongoing reduction in mortgage originations indicates persistent challenges in the housing market, likely due to the increase in changes in interest rates.

Overall, the total number of mortgages originated over these three years amounts to 21,555. The significant declines in 2022 and 2023 underscore the challenges faced by potential homebuyers and the broader implications for the housing market in Rochester. These trends highlight the need for close monitoring and possibly targeted interventions to support the housing market and ensure accessibility for those seeking homeownership.

**All Originated Mortgages, Rochester 2021-2023**

Year	All originated mortgages	% Change from Previous Year
2021	11,201	X
2022	5,777	-48.42%
2023	4,577	-20.77%
<b>TOTAL</b>	<b>21,555</b>	<b>X</b>

Table 41: Source: Home Mortgage Disclosure Act Data,  
<https://www.ffiec.gov/hmda/default.htm>

**Loans Purchased by Type of Loan & Amount, Rochester, Minnesota**

During 2023, over 90 percent of all lending activity in Rochester was in the form of conventional loans, which are private loans that are not backed by a governmental entity. Nationally, conventional loans comprise 75 percent of all lending activity.<sup>1</sup> A smaller percentage of conventional loans in Rochester may signal market gaps in the local private lending market and possibly indicate a lack of savings and income for residents. Only about 18.29 percent are FHA loans, which are mortgages issued by lenders approved by the Federal Housing Administration (FHA) and insured by the FHA. These loans have lower down payment requirements and other underwriting criteria that make them more accessible to borrowers with limited assets or lower credit scores.<sup>2</sup> Based on HMDA data, nationwide FHA loans represented 6 percent of all mortgage lending activity.

**Loans Purchased by Type of Loan & Amount, Rochester, Minnesota**

Loan Type	# of Records	\$ Amount	Percent of Total
Conventional	4,128	\$995,380,000	90.19%
FHA	283	\$67,795,000	6.18%
FSA/RHS	153	\$46,405,000	3.34%
VA	13	2,705,000	0.28%
Loan Purpose		\$ Amount	Percent of Total
Home Purchase	2,845	\$925,605,000	62.16%
Home Improvement	626	\$40,980,000	13.68%
Refinancing	347	\$50,525,000	7.58%
Cash Out Refinancing	314	\$59,690,000	6.86%
Other Purpose	445	\$35,485,000	9.72%
<b>TOTALS</b>	<b>4,577</b>	<b>\$1,112,285,000</b>	<b>100%</b>

Table 42: Source: Home Mortgage Disclosure Act Data,  
<https://www.ffiec.gov/hmda/default.htm>

<sup>1</sup> Conventional Loans,” Consumer Financial Protection Bureau. Available at:  
<https://www.consumerfinance.gov/owning-a-home/loan-options/conventional-loans/>

<sup>2</sup> Let FHA Help You,” U.S. Department of Housing and Urban Development. Available at:  
<https://www.hud.gov/buying/loans>

A market that relies more heavily on conventional loans is an indicator of a healthy lending and real estate market, as borrowers and lenders opt for more conventional loans. However, a shift from government-backed mortgages may also signal a narrowing of options for borrowers from protected classes that have been historically left out of the private mortgage market and homeownership. In the case of Rochester, data indicates that there is a fairly balanced market that responds to the financial need of all borrowers in the area. In addition to home purchase loans, cash-out or refinancing products were key components of the local lending market. Approximately 20 percent of the lending activity was for refinancing or cash-out purposes while home improvement loans were just under one percent.

**Disposition of Loan Applications, by Race of Applicant**

The total number of loans originated across all racial categories is 4,577, with a combined loan value of \$1,112,285,000. The data highlights the overwhelming predominance of white borrowers in the mortgage market, with other racial groups making up a much smaller share of loan originations. This distribution underscores the disparities among minority groups and the need for efforts to improve access to mortgage financing for minority groups.

**Disposition of Loan Applications, by Race of Applicant, 2023 Rochester, MN MSA**

Race (Not Hispanic or Latino)	# of Loan Originated	Total Amount \$	Percent of Loans
American Indian or Alaska Native	9	1,285,000	0.20%
Asian	207	55,785,000	4.52%
Black or African American	114	27,100,000	2.49%
Native Hawaiian or Other Pacific Islander	8	770,000	0.17%
White	3,495	716,125,000	76.36%
Race Not Available	640	284,870,000	13.98%
Joint	103	26,155,000	2.25%
2 or more minority races	1	195,000	0.02%
TOTALS	4577	1,112,285,000	0.20%

Table 43: Source: Home Mortgage Disclosure Act Data, <https://www.ffiec.gov/hmda/default.htm>

**Disposition of Loan Applications, by Ethnicity of Applicant**



Hispanic or Latino borrowers were underrepresented in the home lending activity of the area in 2022. As the table below highlights, Hispanic or Latinos borrowers were only about 3 percent of all lending activity of the area but makeup about 6 percent of the population. Moreover, the totals loan amount for Hispanic or Latino borrowers was significantly lower than the total loan amounts for Non- Hispanic or Latino borrowers.

**Disposition of Loan Applications, by Ethnicity of Applicant  
Rochester, MN MSA**

<b>Ethnicity</b>	<b># of Loan Originated</b>	<b>Percent of Loans</b>	<b>Total Amount</b>
Hispanic or Latino	153	3.34%	\$31,785,000.00
Not Hispanic or Latino	3,689	80.60%	\$777,105,000.00
Joint	85	1.86%	\$21,745,000.00
Ethnicity Not Available	650	14.20%	\$281,650,000.00
<b>TOTALS</b>	<b>4577</b>	<b>100%</b>	<b>\$1,112,285,000.00</b>

Table 44: Source: Home Mortgage Disclosure Act Data,  
<https://www.ffiec.gov/hmda/default.htm>

**Disposition of Loan Applications, by Sex of Applicant**

In addition to challenges based on race and ethnicity in the local lending market, there is also a gender gap in lending activity. As the table below demonstrates, female borrowers represented approximately 21 percent of all lending activity in 2023. It should be noted that when females represent slightly more than half of the population. It is worth noting that the HMDA dataset also provides data on Joint applications with male and female co-applicants, which accounted for about 44.79 percent of the lending activity in the area.

**Disposition of Loan Applications, by Sex of Applicant, 2023  
Rochester, MN MSA**

<b>Sex</b>	<b># of Loan Originated</b>	<b>Percent of Loans</b>	<b>Total Amount</b>
Female	983	\$4,795,000	21.48%
Joint	2,050	\$483,100,000	44.79%
Male	1,138	\$227,170,000	24.86%

Sex Not Available	406	\$227,220,000	8.87%
<b>TOTALS</b>	<b>4577</b>	<b>\$1,112,285,000</b>	<b>100.00%</b>

Table 45: Source: Home Mortgage Disclosure Act Data, <https://www.ffiec.gov/hmda/default.htm>

### E. Loan Denials

In addition to overall application numbers, a closer look at denial rates per loan type, loan purpose, and borrower demographics helps to reveal potential disparities in the home lending market. As the table below highlights, conventional loans represent the largest percent of denials across all loans and have the highest rates of denials within each of the loan types. At 36 percent of all denials, home purchase had the highest proportion of denials followed by cash out refinance. Within the individual loan type, about 87 percent of conventional loans were denied, while government-backed FHA have denial rates of just under 9 percent.

#### Loan Application Denials, Loan Type, 2023 Rochester, MN MSA

Loan Type	# of Applications		% of all Denials
	Denied	Amount	
Conventional Loan	763	\$91,315,000	87.30%
FHA	75	\$15,955,000	8.58%
VA	26	\$6,570,000	2.97%
USDA	10	\$1,790,000	1.14%
<b>TOTALS</b>	<b>874</b>	<b>\$115,630,000</b>	<b>(X)</b>

Table 46: Source: Home Mortgage Disclosure Act Data, <https://www.ffiec.gov/hmda/default.htm>

Across the Rochester MSA, minority borrowers did not have a significant disproportionate percentage of denial rates within each race or ethnicity for all lending activity in the area. This includes home purchase, home improvement, refinancing, and other purpose loans.

#### Total Denials by Derived Race and Ethnicity, 2023 Rochester, MN MSA

Race/Ethnicity	# of Applications Denied	# of Applications Denied
<b>RACE</b>		
2 or more minority races	2	0.23%

American Indian or Alaska Native	7	0.80%
Asian	48	5.49%
Black or African American	40	4.58%
Free Form Text Only	0	0.00%
Joint	11	1.26%
Native Hawaiian or Other Pacific Islander	2	0.23%
Race Not Available	128	14.65%
White	636	72.77%
<b>ETHNICITY</b>		
Hispanic or Latino	54	6.18%
Not Hispanic or Latino	687	78.60%
Ethnicity Not Available	117	13.39%
Joint	16	1.83%

Table 47: Source: Home Mortgage Disclosure Act Data,  
<https://www.ffiec.gov/hmda/default.htm>

#### F. Loan Denial Reasons for Home Purchases

In addition to general denial rates based on the loan type, loan purpose, and borrower characteristics, an assessment of the primary reasons provided for application denials helps to understand potential barriers keeping borrowers from accessing homeownership opportunities. The following section examines denial reasons through the lens of race and ethnicity to reveal potential barriers to fair housing choice in the home buying market for protected classes.

The reasons for loan denials were consistent among demographic groups with debt-to-income ratio, credit history, and unverifiable information being among the top reasons in 2023. For some borrowers, a debt-to-income ratio was the primary reason given by financial institutions for denial of an application. It is worth pointing out that though Hispanic or Latino borrowers made up only a fraction of the lending activity. The denial reasons given for the group reflected similar trends noted in other demographic groups with debt-to-income and credit history being the top reasons for loan denial.

#### G. Discussion of Results

As data from this chapter has shown, discrepancies in the home lending market have improved for communities of color in the Rochester MSA since the last Analysis of Impediments to Fair Housing Choice. Based on HMDA data, recent lending activity does reflect the racial and ethnic composition of the area. Hispanic borrowers are underrepresented, and White borrowers evenly represented in the local market. Moreover, denial rates by ethnicity are disproportionately impacting communities of color, regardless of income. Female, Black or African American, and Hispanic borrowers, in particular, are experiencing hurdles in effectively securing a home loan in the area.

The 2023 HMDA data also reveals that issues related to debt-to-income ratios and credit history are the main reasons for loan denials in the area. Other factors, such as adequate

collateral, down payments, and mortgage insurance, are playing a drastically less significant role in loan denials. Though these denial reasons are affecting all borrowers, in some cases, such as with debt-to-income ratios, the effects are experienced more pronouncedly by Asian and Native Hawaiian or Other Pacific Islander borrowers. When borrowers from communities of color are able to secure a loan, their average loan amounts are often lower than those from White borrowers. Such differences highlight the ongoing struggle for communities of color in securing adequate capital to access the home buying market in the area and ultimately build lasting family wealth.

Looking ahead, Rochester will continue to monitor these lending patterns to tailor local programs to meet the needs of all residents and encourage greater financial security and homeownership opportunities in the jurisdiction.

## **VI. FAIR HOUSING TRENDS AND COMPLAINTS**

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Understanding fair housing trends and complaints is critical in assessing housing access free from discrimination. This chapter reviews the fair housing enforcement process and fair housing complaints filed at the local and federal levels to assess trends, emerging issues, and potential barriers to fair housing access, enforcement, and education in the context of Rochester.

The City of Rochester is committed to furthering fair housing efforts by promoting fair and equal housing opportunities for its residents. It is committed to highlighting the Fair Housing Law, Title VIII of the Civil Rights Act of 1968 by continuing to address discrimination in our community and to support programs that will educate the public about the right to equal housing opportunities.

It is the City's policy to provide services without regard to race, color, ancestry, religion, national origin, age, gender, marital status, familial status, source of income, sexual orientation, or disability. This commitment extends to all grant-funded housing programs provided by the City.

### **What is Housing Discrimination?**

Housing discrimination is unjust or prejudicial treatment of individuals, in the area of housing and real estate, based on the individual's protected class. Within the context of an increasingly diverse society, the potential for discrimination in housing choice remains an issue which must be vigilantly observed. In efforts to combat discrimination, federal and state laws have been enacted to provide a framework for ensuring fair housing choice.

### **Affirmatively Furthering Fair Housing**

The Fair Housing Act has two goals: to end housing discrimination and to promote diverse, inclusive communities. The second goal is referred to as Affirmatively Furthering Fair Housing (AFFH), and it embodies our strongly held American values of fair access and equal opportunity.

The Affirmatively Furthering Fair Housing provision was part of the Fair Housing Act when it was passed by Congress in 1968. Through that provision, Congress directed HUD to make sure that neither the agency itself, nor the cities, counties, states, and public housing agencies it funds, discriminate in their programs. Further, Congress intended that HUD programs be used to expand housing choices and help make all neighborhoods places of opportunity, providing their residents with access to the community assets and resources they need to flourish.

### **Fair Housing Complaints**

The Office of Fair Housing and Equal Opportunity [FHEO] administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. Individuals who believe they are victims of housing discrimination can choose to file a fair housing complaint through the respective Regional FHEO. Typically, when a complaint is filed with the agency, a case is opened and an investigation of the allegations of housing discrimination is reviewed.

If the complaint is not successfully mediated, the FHEO determines whether reasonable cause exists to believe that a discriminatory housing practice has occurred. Where reasonable cause is found, the parties to the complaint are notified by HUD's issuance of a "Determination," as well as a "Charge of Discrimination," and a hearing is scheduled before a HUD administrative law judge. Either party [complainant or respondent] may cause the HUD-scheduled administrative proceeding to be terminated by electing instead to have the matter litigated in Federal court.

### **Complaints Filed With HUD**

Region V of the Office of Fair Housing and Equal Opportunity (FHEO) receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties throughout Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. The mission of the FHEO is to protect individuals from employment, housing, and public accommodation discrimination, and hate violence. To achieve this mission, the FHEO maintains databases of and investigates complaints of housing discrimination, as well as complaints in the areas of employment, housing, public accommodations, and hate violence.

Complaints filed with HUD are classified by race, national origin, disability, familial status, religion, sex, and retaliation bases. FHEO investigates complaints which may be of one or both of the following types:

- Discrimination under the Fair Housing Act (including housing that is privately owned and operated)
- Discrimination and other civil rights violations in housing and community development programs, including those funded by HUD.

Complaints involving discrimination under the Fair Housing Act may be applied in cases where one's discrimination in renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities are violated. The filing

of these complaints may be against property owners, property managers, developers, real estate agents, mortgage lenders, homeowner associations, insurance providers, and others who affect housing opportunities.

Complaints involving discrimination in housing and community development programs may be based on the violation of rights because of discrimination and other violations of civil rights in HUD programs. For example, the failure to ensure meaningful access by persons with limited English proficiency. Applicable laws include:

- Title VI of the Civil Rights Act of 1964 (race, color, national origin)
- Section 109 of the Housing and Community Development Act of 1974
- Section 504 of the Rehabilitation Act of 1973 (disability)
- Title II of the American with Disabilities Act of 1990
- Architectural Barriers Act of 1968
- Age Discrimination Act of 1975
- Title IX of the Education Amendments Act of 1972

Complaints may be filed against any recipient or sub-recipient of HUD financial assistance, including states, local governments, and private entities operating housing and community development and other types of services, programs, or activities. At the time of this report, complaint data has not been received.

### **Complaint Trends**

Over the last five years from 2019 to 2023 a total of 2 fair housing cases were filed with HUD . Complaints by type were most commonly made on the basis of disability, followed by sex and religion. According to the National Fair Housing Alliance 2023 Fair Housing Trends Report, the number of complaints filed nationwide in 2022 was 33,007, which was the highest number of reported complaints of housing discrimination in a single year . Additionally, there was a startling uptick in hate crime offenses and the number of reported victims of hate crimes. There was a 15.3 percent increase in the number of housing-related hate crimes.

Overall, the 2023 National Fair Housing Trends Report shows that private fair housing organizations continue to address the majority of housing discrimination complaints reported throughout the country. The report also revealed that private, non-profit fair housing organizations provide the largest support for people alleging housing discrimination. These groups processed 73.94 percent of complaints filed in 2022 compared to 5.80 percent processed by HUD, 20.15 percent by FHAP agencies, and 0.11 percent by DOJ. The report also revealed that discrimination based on disability accounted for the majority (53.26 percent) of complaints filed with FHOs, HUD, and FHAP agencies. However, the report also showed in 2022, there were 2,490 complaints based on sex, the

highest number recorded since 2005 when NFHA began collecting data specifically on sex complaints. Similarly, the report also revealed there was an uptick in all the “other” categories of complaints regarding source of income, marital status, age, and domestic violence with significant increases in complaints regarding source of income and domestic violence.

While outreach and education efforts to inform the public on fair housing protections have resulted in significant progress for Rochester more will need to be done in the next five years to ensure that recent fair housing trends are curbed or eliminated and that all residents are provided fair housing choice and access.

## **VII. REVIEW OF PRIOR AND CURRENT FAIR HOUSING ACTIONS**

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### **Affirmatively Furthering Fair Housing**

Affirmatively furthering fair housing requires overcoming historic patterns of segregation, promoting fair housing choice, and fostering an inclusive community. Identifying Rochester’s barriers to fair housing calls for the development of comprehensive strategies and timely actions to overcome existing impediments.

The Analysis of Impediments assesses previous actions taken and current conditions that may continue to restrict housing choice for people protected under State and federal fair housing laws.

With such an assessment in mind, this section presents the previously identified impediments to fair housing choice and a summary of the actions taken to address those challenges. The analysis and its results will help outline the underlying conditions and trends still relevant in Rochester.

Effective Tuesday, September 8, 2020, HUD’s “Preserving Community and Neighborhood Choice” Final Rule officially repealed HUD’s 2015 housing rule known as “Affirmatively Furthering Fair Housing” or AFFH and the 1994 Analysis of Impediments to Fair Housing Choice (A.I.) where they appear in regulation. HUD’s new housing rule is intended to lessen the paperwork burden on local grantees and empowering entitlement communities by giving them maximum flexibility in designing and implementing sound policies that reflect local needs by eliminating overly burdensome, intrusive, and inconsistent reporting and monitoring requirements.

HUD’s new rule will still require that grantees commit to “use funds to take active steps to promote fair housing,” however, the grantee AFFH certifications will be deemed sufficient provided the grantee took any action during the relevant time period related to promoting fair housing.

## **Previous Impediments to Fair Housing Choice**

The previously identified barriers to fair housing choice in Rochester's 2020 Analysis of Impediments to Fair Housing Choice are listed below. The barriers identified are not listed in any order or priority. The analysis and status of these impediments are based on the data available at the time and the feedback provided by community members and stakeholders. An analysis of past and existing trends is further addressed in other sections of this document.

As presented in the 2020 Assessment of Fair Housing, the barriers identified in 2016 provided the City a path forward in furthering fair housing protections in the jurisdiction. Assessing the status of these actions helps to inform the current trends that may continue to limit fair housing choice in Rochester. The following are detailed descriptions of the impediments as presented in the City of Rochester Analysis of Impediments to Fair Housing Choice 2020:



**Impediment #1** Limited fair housing education and resulting misperception of residents and rental property owners and managers regarding protected classes.

### **Recommendations**

- Support the efforts of area providers in their quest to educate the general public regarding fair housing issues.
- Support the efforts of area providers connecting with the rental community through existing associations and networks.
- Help to disseminate information on existing training and the availability of SMRLS training program for rental property owners and managers.
- Support public education efforts regarding the fact that scattered subsidized and special needs housing does not adversely affect housing value in adjacent areas.
- Work with community non-profit agencies on special events that commemorate diversity in the city.
- Encourage the Olmsted County HRA to continue their outreach to landlords monthly. Information is inserted into the landlord's monthly housing assistance payment.
- Support the development of affordable housing for large families and for individuals or families that have special accessibility needs.
- Support the development of larger, affordable handicap accessible units.
- Support SMRLS' efforts to educate landlords that reasonable accommodations must be made to a rental unit to make it handicap-accessible if none currently exist, under the fair housing act.

### **Remediation of Impediments**

- The City is has supported the Olmsted County Human Rights Ordinance and the work of the Olmsted County Human Rights Commission in implementing the Ordinance.
- Supported low income tax credit housing and other subsidized housing of high quality in locations that are accessible to employment, neighborhood amenities, and commercial services.
- Implemented well-designed private development proposals that include townhouses, condominiums, apartments, and appropriate commercial uses as part of neighborhood development areas.
- Enforced minimum standards for housing and enforce such ordinances such as the Disorderly Use Ordinance in to address neighborhood concerns about crime and potential impacts on property values.

- Increased the supply and land zoned for lower cost housing, especially providing for mixtures of housing by style and cost.
- Provided for neighborhoods that are integrated by income class, race, age, ability, and are accessible to all modes of travel by all ages and ability levels.
- Provided incentives to developers to accommodate affordable housing up front as part of well planned communities. The City Council approved a fee reimbursement pilot program aimed at creating owner-occupied dwellings valued at \$426,100 or less.
- The Olmsted County HRA has approved utilizing a local tax levy, capturing more than \$3 million in 2020. The tax levy is designated to address housing needs and incentive for private developers to build affordable units. In 2023, 19 HRA loans were granted for single-family dwelling rehabilitation. The structure of these rehab loans the county offers is very similar to the City's Rehab program. Similar rehab work is eligible, the loan is deferred while requiring 2% interest upon repayment, but it is deferred until the home is sold or refinanced under certain conditions. The county program's goal is to provide 15-20 loans each year.

**Impediment #2** The current land use plan did not make it easy for the zoning of land for building affordable, single-family and multifamily housing with access to commercial and social services.

Recommendation: Update the Development Code to achieve goals laid out in Comprehensive Plan.

### **Remediation of Impediments**

The City of Rochester's policies and procedures do not in and of themselves create an impediment to fair housing. It was noted in the last AI that the current land use plan did not make it easy for the zoning of land for building affordable, single-family and multifamily housing with access to commercial and social services. The Rochester Community Development Department and previously Rochester-Olmsted Planning Department has since revised the comprehensive plan to address that concern. As mentioned, the City has hired a consultant to transform our Land Development Manual and Zoning Ordinances to a Uniform Development Code to help achieve the goals laid out in the Comprehensive Plan. A housing related goal is to expand housing diversity to provide an ample supply of the right type of housing in the right locations to meet the needs of a diverse and growing population.

## **VI. IMPEDIMENTS TO FAIR HOUSING CHOICE**

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The following are the identified impediments based on the assessment conducted throughout the 2025 Analysis of Impediments to Fair Housing Choice process. The newly identified impediments to fair housing access and choice represent ongoing issues in Rochester, MN. Below is a list of new impediments:

### **Impediment 1: Limited Fair Housing Education and Awareness in Community**

As the City continues to expand with an increasingly diverse population, fair housing education must be continuous and presented in a context that is relative to the current community concerns.

Education and awareness of fair housing laws is imperative to alleviating housing discrimination. About 62 percent of survey respondents stated they were aware of their fair housing rights and only 57 percent knew where to file a fair housing complaint.

#### **Contributing Factors:**

- The City of Rochester is a growing community with an increasingly diverse population with unique cultural heritage and customs.
- Lack of awareness and training for housing providers, real estate professionals, and landlords can lead to a lack of understanding of fair housing laws and best practices.
- The City offers broad based fair housing education outreach, but community research suggests that a more targeted approach that aligns with specific community issues would be beneficial.
- Educational materials and resources may not be available in multiple languages, leaving non-English-speaking populations underserved. Its also worth noting that educational materials may be written too high level for the average person to understand.
- Fair housing enforcement agencies and community organizations may lack the resources to effectively educate the public and enforce fair housing laws. Additionally, a shortage of funding for educational programs and resources dedicated to fair housing.

#### **Recommendations:**

- Expand its fair housing education and outreach efforts to groups that are underrepresented in its pool of clients to help continue to keep the public informed of their rights and specifically targeting more efforts in minority areas especially areas where residents have limited English Proficiency.

- Develop culturally appropriate outreach materials for the Somalian and Hispanic/Latino community.
- Develop a fair housing education program in languages that reaches members of the public who are most vulnerable to housing discrimination, including racial and ethnic minorities, low-income populations, people with limited English proficiency, and people with disabilities. Focus on incorporating fair housing education components into other scheduled events (e.g., a fair housing booth at a community or school event) or working through existing organizations with ties to various community groups, including organizations that serve Spanish-speaking residents.
- Fund and promote Fair Housing Education and Housing Counseling activities with CDBG Public Service funds.
- Seek public and private partners to disseminate fair housing information to residents.
- As part of the City's fair housing education program, develop a curriculum that helps prospective renters recognize discriminatory leasing practices and unfair or illegal lease terms and outlines resources available to assist with landlord/tenant disputes or potential evictions.
- Offer a seminar focused on "Landlord Rights and Responsibilities" targeted to private landlords with units in Rochester to review fair housing laws and best practices regarding tenant selection, accommodations for people with disabilities, lease terms, and other key topics.

## **Impediment 2: Housing Affordability Mismatch - Distribution of Renter Households and Affordable Rental Units**

Housing affordability mismatch, particularly for households earning less than \$35,000 annually exists in Rochester. While the availability of affordable rental units improves as household income increases, there is a significant shortfall in affordable housing for lower-income renters. It is important to note that some of the units identified as affordable to people of a particular income level may in fact be occupied by households with higher incomes, reducing the stock available for lower income households. This highlights the critical need for policies and interventions focused on increasing the supply of affordable housing for those in the lowest income brackets to ensure equitable access to safe and stable housing.

### **Contributing Factor**

- Mismatch Between Supply and Demand - There is an inadequate supply of affordable housing units which drives up the cost of housing making it difficult for low-income and even moderate-income households to find affordable housing.

- Underproduction of Higher End/Executive Housing – There is an demand for high end rental housing as the City is home to world-renown Mayo Clinic. High net worth residents don't have higher end options for housing.
- Affordable housing production is lagging behind.
- Resident Mobility and Choice – Higher Income residents are able to choose the housing of their liking by selecting housing choices from any income category, including those categorized as affordable to low-income persons.

## **Goal**

To reduce the gap between the availability of affordable rental units and the distribution of renter households that need them while balancing fair housing goals.

## **Recommendations**

### **1. Increase the Supply of Affordable Housing**

- Incentivize affordable housing development by continuing to support programs like the Low-Income Housing Tax Credit (LIHTC) to encourage more affordable development for households earning less than \$35,000. The City should continue to vet applications through its Fair Housing Assessment Tool to ensure proper siting of affordable housing encourages equity and fairness.
- Zoning Reforms: The City should continue to implement zoning to allow for higher-density housing, mixed-use developments, and the conversion of underutilized properties into affordable housing. Initiatives that the City currently has in place include Tax Increment Financing Districts and Transit Oriented Development (TOD).
- Public-Private Partnerships: Collaborations between government, non-profits, and private developers can result in innovative affordable housing solutions, including mixed-income developments that integrate affordable units with market-rate housing.

### **2. Preserve Existing Affordable Housing**

- Continue to fund the rehabilitation of existing affordable housing units to prevent them from deteriorating or being lost to gentrification or redevelopment.

### **3. Improve Accessibility to Affordable Housing**

- Consider educating landlords on the community impact of discriminating based on source of income.
- Inclusionary zoning that requires that new residential developments include a percentage of affordable units, ensuring that affordable housing is spread throughout communities rather than concentrated in specific areas.

### **4. Support Low-Income Renters**

- Offer financial literacy programs and emergency assistance to help renters manage their finances and avoid eviction.

## **5. Monitor and Enforce Fair Housing Laws**

- Strengthen enforcement of fair housing laws to prevent discrimination in the rental market, ensuring that all households have equal access to affordable housing options.
- Continuously collect and analyze data on the distribution of affordable housing and renter households to identify emerging mismatches and areas in need of intervention.
- Develop and implement comprehensive housing plans that align affordable housing development with broader community development goals, ensuring that growth benefits all residents.

## **VII. CONCLUSION**

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Through this Analysis of Impediments to Fair Housing Choice, several barriers have been identified that restrict the housing choice available to residents of Rochester. These barriers may prevent residents from realizing their right to fair and equitable treatment under the law. It is imperative that residents know their rights and that those providing housing or related services know their responsibilities. The City will work diligently toward achieving fair housing choices for its residents using the recommendations to address the identified impediments. However, it should be noted that these impediments are largely systemic and will require effort from both private sector and public sector actors to correct. The City has an important role to play but cannot, on its own, bring about the change necessary to remove these impediments to fair housing choices.

The recommendations proposed in this document address impediments relative to the need for fair housing education, the age of housing stock, unequal distribution of resources, disparities in lending practices, and affordable housing location. Implementation of the recommendations can assist the city in achieving the reality of an open and inclusive region that truly embraces fair housing choices for all its residents.